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# **Towards A Sustainable Banking: A Study of Environmental Sustainability Practices Adopted by Selected Private Sector Banks**

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## **Abstract**

Since the last decades, sustainability has aroused the interest of corporations, academics, banking sector and the media. Moving towards sustainability, both public & private sector banks aims to have paperless banking to avoid carbon emissions. The proposed study takes into consideration on how the banks are contributing to the financial system risks which are generally affected by sustainability. Banks plays a vital role for economic development and along with this, it also has an important face in society to promote green banking. Therefore, to measure the effect of sustainability on the banks, this study focuses on banks' environmental and social performance, mainly their policies and performance. The study centers its attraction towards the Sustainability Practices adopted by only few of the selected private sector banks in India and its impression on environment. The research is totally based on data collected through different magazines, websites, internet sources, etc.

**Keywords:** Environmental Sustainability, Private Sector Banks, Sustainable Banking.

## **Introduction:**

In this current day by day scenario of globalization, as we are passing through 21st century, depletion of greenery is badly missed by all the people. As everyone is getting more and more concerned about the natural environment, and other business organizations, corporations have started improving their pattern of working in order to implement green environment at the fullest possible. To have sustainable development in any country, banks, being the important financial part, plays a meaningful role. From the last 20 decades, banks are taking more proactive measures to address sustainability issues in banking all around the world.

## **1. Environmental Sustainability**

Environmental sustainability has the capability to maintain the ecological and sustainable balance in our natural environment and protect the natural resources. This will help and support the wellbeing of the future generation. The concept of sustainability was first introduced in 1969 when the United States introduced the National Environmental Policy Act (NEPA, 2014). The base objective of this act was to make the advancement on overall well-being, maintain the balance relationship between humanity and nature and hold the economic and social welfare of society.

### **1. Sustainable/Green Banking**

Sustainable banking involves strategic planning and execution of banking operations and business activities by taking into account the environmental, social and governance (ESG) impact.

Sustainable banking involves advocating for eco-friendly practices and minimizing the environmental impact of banking activities, thereby reducing the carbon footprint. This has many forms

- a. Use of online and cashless banking instead of branch banking.
- b. Instead of mailing the payment, we can pay them online.
- c. Instead of large multi-branch banks, opening the accounts at online banks with the help of internet.

### **2. Sustainable/Green Banking Products**

- i. Green Loans: Giving the loans to such business that is considered as sustainable to environment i.e. to diminish CO<sub>2</sub> emission or the projects which has purposes to contribute to the green transition in society.
- ii. Green Mortgages: This term refers to the type of mortgage which provides discount on money-saving or a bigger loan than normally permitted as a reward for making energy-efficient impacts or for buying a home that meets particular energy-efficiency standards provided by the government.
- iii. Green Credit Cards: These types of cards are generally used for environmental friendly rewards or promoting paperless banking.
- iv. Green Saving Accounts: In these types of banks format, banks make donations on the basis of savings done by customers. More savings by the customers will lead to more the environment benefits in the form of contributions or donations done by banks.
- v. Mobile banking and online banking:

This revolutionary banking form includes minimal paperwork, less mails, less traveling to branch offices. All of these has a positive impact on the environment to reduce the carbon footprints.

## **Review of Literature:**

### **“Recent Trends and Innovations-Banking Sector In India” By Bansal (2022)**

In the year 2022, Bansal, et al. stated that humanity has taken a long way by the improvements in technology. Though it will also lead to global warming and environmental catastrophe for which people are worrying. Because of that, people are again considering the alternative options & awareness of technology amongst them. Implementation of 3R i.e Reuse, Reduce, Recycle will lowers the demand for fossil fuels. Banks can influence their customers to adopt environmentally friendly practices. Banks can lead the way by accepting environmentally friendly practices to become global leader. Moreover, innovation in banking products along with the use of technology enables banks and their consumers to limit the use of commodities such as paper, which will contribute to environmental conservation.

### **“A Study on Mobile Banking Services in India” By Shailaja & Olekar (2021)**

It is observed by Shailaja and Olekar in 2021 that green banking is a new concept in the finance & banking sector. Now a days, Banks’ actions are automatically linked to environmental conservation and sustainable prosperity. Being a conscientious entity, Banks may perform an important role in saving the surroundings via financing environmental friendly initiatives as well as adopting environmental friendly goods and services. Green Banks, which comprises subsidized financing & banking for green technology and pollution free projects, may help in decreasing external carbon emissions. On the other hand, with the help of product improvements, the bank minimizes its internal carbon footprint. The leveraging technology of banks also contribute to the conservation of natural resources and environmental preservation which will also lead in reduction in the amount of paper, water, as well as energy used.

### **“Green Finance Development In Bangladesh: The Role Of Private Commercial Banks (PCBs)” By Zheng, Siddik, Masukujjaman, Fatema, And Alam (2021)**

Zheng, Siddik, Masukujjaman, Fatema, and Alam in the year 2021, explained that the Green Financing is seen as an important component of sustainable banking, having a significant influence on the growth of an eco-friendly economy and industry generally. Therefore, for enhancing the sustainability practices of the financial sector, the banking sector should focus on ensuring the funding for environment-conscious projects through financially viable banking. In the traditional perspective, assessing a client's environmental suitability would have been seen as encroaching on their private matters by a bank. But the modern view is

that this poses a risk to their business. Financial organizations are not directly impacted by environmental degradation, nor they indirect expenses. If these measures are not adopted, credit, legal and reputation problems will continue to hound these banks.

**“Green Banking Practices - A Review in Select Banks of India” By Dr Ajaz Akbar Mir and Aijaz Ahmad Bhat (2021)**

**Dr Ajaz Akbar Mir and Aijaz Ahmad Bhat (2021)**, in their paper highlighted that the color green is currently trendy. Green banking is a novel concept in this country that aims to curtail carbon footprints by integrating environmental management with banking operations. Moving towards the green ripple gives a competitive edge in an era of globalization and increased competition. Number of opportunities are available for India to capitalize on in order to achieve their aim of economic development. Green banking shows not just sustainable resource usage but also green lending concepts. With the view of this paper, a high level of customer awareness and education is lacking in the context of Green Banking implementation. As a result, effective and efficient training, and educational programmes for banks“ green initiatives will be critical to the success of Green Banking.

**“Green Financial Instruments In India: A Study on Its Current Status and Future Prospects” By Sarma & Roy (2021)**

It is researched & announced by **Sarma and Roy** in the year **2021** that, it has been considered that Indian banks are attractive for joining international marketplaces, but they are unable to understand their environmental and social obligations. This will alternatively gaining popularity of green solutions not only among smaller alternatives but also among cooperative banks and diversified financial service providers, asset management organizations, and insurance companies.

**“Managing Sustainability In Banking: Extent of Sustainable Banking Adaptations Of Banking Sector In India” By Kumar & Prakash (2020)**

Kumar and Prakash in the year 2020, stated in their research that environmental and financial success can have positive relationship. From the traditional point of view, banks just analyzed their business performance, but in modern view i.e. in the 21<sup>st</sup> century it is necessary to analyses their social as well as ecological achievement. As banks are technology implementers, they can adopt green practices in their work life, which will also lead them in the global endeavor. Moreover, with the help of product innovation and the adoption of technologies, reduction in the consumption of resources, such as documents, thus making a valuable contribution to environmental conservation is possible.

## Objectives:

1. To find out green initiatives taken by private sector banks by adopting green banking practices.
2. To evaluate the use of Green Banking Products in banking sector with regards to sustainable development of environment used by private banks.

## Research Methodology:

Type of Research: Exploratory Research (Based on Literature Review & Secondary Data)

The research took place in two stages:

1. The first stage is an up-to-date literature review on Green Banking and sustainable development in the banking sector with special reference to private sector banks.
2. The second stage included data collection about Indian private sector banks with the help of secondary published resources by banks or magazines, etc.

Secondary published resources can be reports on Green & Sustainable Banking by published resources and other relevant information published on the banks and other internet sites. The study takes into consideration selected private sector banks in India and green products used by them.

## Findings:

### 1. HDFC Bank- Parivartan (A step towards progress)

HDFC Bank Commits to Becoming Carbon Neutral By 2031-32 so as to reduce carbon emissions. As part of its Environment & Social Governance (ESG) strategy, the Bank are also offering green products to their customers who uses electric vehicles at lower interest rates and establishment of ESG scores in its credit decisions. The Bank is also working on issue of green bonds to public. The bank has a three-pronged strategy so that they can achieve their objective to become carbon neutral bank:

1. Reduce consumption,
2. Transition to renewable energy, and
3. Offset carbon footprint.

As a part of this strategy it is planning to have following initiatives:

- Increase Rooftop Solar capacity in large campuses of bank.
- Convert 50% of our total sourced electricity to renewable energy sources.
- Plant 25 Lakh plus trees.
- Reduce water consumption by 30% to help saving water resources.



## 2. ICICI BANK-

Various initiatives are taken by ICICI Bank to become a green bank. The bank has following green banking products-

### Green Products & Services-

- **Insta-Banking:** With the use of instant banking, customer can easily have access to use banking services anytime anywhere through Internet banking, i-Mobile banking, IVR Banking. Reduction in carbon footprint of the customers is possible as they don't need to visit branches or retain their documents in physical form.
- **Vehicle Finance:** 50% waiver on processing fee on energy efficient car models such as Maruti's LPG versions of Maruti 800, Omni, and Versa, Hyundai's Santro Eco, Honda's Civic Hybrid, Reva electric cars, etc. is offered by the banks so that many customers can move to these cars which helps in sustainable banking.
- **Home Finance:** Processing fees on Home loans are reduced by bank who purchases house in 'Leadership in Energy and Environmental Design' (LEED) certified buildings.
- **Green Communication-** Communication by the banks such as- statements, inserts Credit Card Charge slips are communicated to the customers and seek their collaboration in the 'Go Green' movement. The communication on Online Bill pay, Online Funds Transfer and Subscription are communicated through e-statements to stakeholder of bank.

## 3. Yes Bank-

1. **Yes Mobile:** It is a mobile banking solution packed with host of exciting features that truly enables banking On the Go.
2. **WhatsApp Banking:** Banking just a message away! Yes, bank can manage our banking needs by using its AI enabled WhatsApp banking service.
3. **YES online:** It has ensured the best experience & internet banking facility that caters to all our banking requirements.
4. **YES ROBOT:** Your 24\*7 personal banking chat assistant is provided by the bank to their customers. An AI-enabled chatbot equipped to handle a wide range of banking inquiries.

## 4. Kotak Mahindra Bank-

### Environment Social Governance (ESG) Policy Framework

Kotak Mahindra Bank Limited is heading towards its mission to create value for all its stakeholders. High quality financial services and customer experience is provided by the bank to their customers to empower

and inculcate a spirit of entrepreneurship in its workforce and leveraging technology. It is the Bank's constant endeavour to contribute towards sustainable development and growth, for this it is adopting responsible business practices which serve the interest of all its stakeholders, including the environment and society at large. This policy framework enumerates the Bank's approach to align its business strategy, processes and disclosures with national and international ESG standards and frameworks.)

## **5. Axis Bank-**

Axis bank's sustainable environment efforts are inclined towards resource conservation, renewable energy resources and energy efficient models.

With the use of Sustainable Banking Initiative, the bank-

1. Encourages their customers to subscribe for e-statements and other electronic formats of communication to reduce use of paper.
2. Axis bank has designed the corporate building under Platinum LEED-Certified "Green Building" which is named as 'Axis House' by the bank.
3. Bank has organized tree plantation programs (Plant a Sapling initiative).
4. Banks generally uses renewable energy units for street lighting.
5. Banks uses water, which is collected from rainwater harvesting system and a sewage treatment plant.

## **Conclusion:**

Indian economy is a developing economy and has a huge potential of growth of Indian banks by adoption of green approach in their various fields and industries. Lots of green products and services can emerge in banking industry in the upcoming years which can lead to major improvements in banking industry. Few factors such as Green excellence awards and recognitions, Green rating agencies, Green investment funds, Green insurance and Green accounting and disclosure can be incorporated by the banks in near future to improve the quality by the banks. The successful incorporation of green practices in the banking industry will function as a deterrent to polluting sectors. Banking industry can act as a guide to many other industries in the economic transformation and create a platform to the economic development that would create many opportunities to finance and investment sector and contribute towards creation of a low carbon economy.

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## A Start-Up's Performance Through Digital Marketing

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### Abstract

**Purpose:** Self-employment among young people has sparked a sense of need to support oneself and provide for one's family on a daily basis. Due to people's willingness to start their own businesses in order to supplement their income, jobs have been created. In order to reach a greater segment of society, start-ups need to use digital marketing. By analyzing the past and present, this study focuses on the granular level examination of how start-ups emerge. The report also uses ABCD analysis to explore in detail the many pros and demerits of start-ups adopting digital marketing.

**Approach:** In order to analyse different secondary sources, such as articles, journals, and publications on Research Gate Publication, Google Scholar Publication, Srinivas Journal Publication, SSRN, and other sites, semi-systematically, the current study of start-ups involved with digital marketing is conducted. This allows for a macro-view of the current situation.

**Result:** People are inspired to launch their own firms through digital marketing. There is more opportunity today for many more people to launch their own enterprises and become entrepreneurs. Children want to be physicians, engineers, pilots, and government officials, just like adults want to be business owners. As a result, there is a lot of room for institutions to develop unique programs, educational subjects, and parts of marketing for start-ups that teach students in a variety of sectors.

**Practical Implications:** For students, researchers, educators, teachers, and readers to undertake comparable or other new studies on start-ups and digital marketing topics, they can use the analysis of start-ups' performance through digital marketing as a starting point. This case study offers a thorough grasp of the driving forces behind businessmen's efforts to thrive in the marketplace at this difficult time.

**Originality:** The study was carried out through secondary research, which involved consulting a number of previously published articles, case studies, and publications. After reading many articles by their individual

authors, the author discovers that the referred articles themselves have been published. The case study of start-ups' success with digital marketing is supported by studying the published articles and case studies.

**Paper type:** Case Study

**Keywords:** Start-ups, Digital Marketing, Entrepreneurs, Business Performance, E-Commerce

## **Introduction:**

The latest fashion in the modern world is digitization. Businessmen carefully consider their options before using a new method of managing their operations since they must decide whether or not to invest such a significant sum. Even though businesses are embracing the latest technological trends, it is crucial that company managers have a solid understanding of technical issues and strong skill sets to manage the company's use of technology. The driving force behind data and value is embracing diversions.

which helps businesses to act in accordance with client preferences, to launch products and services in accordance with customer's choice, by providing quick response rates through feedbacks, reviews, and customer satisfaction opinions. Every organization should set up an internal team to experiment, survey, and analyze client preferences, choices, area, and locale frame for the technological feasibility before implementing digital marketing tools. They assess the results and make a decision regarding the development of the modern marketing strategy. Digital marketing offers a new way of looking at how well a company is doing financially. Digital marketing is made up of a variety of tools, approaches, concepts, and materials. Marketers carefully consider the strategy to use. There are many different types of online marketing, including optimizing search engines like Google, Facebook, and Yahoo, promoting using these Search engines, and making money through pay per click. The COVID-19 crisis has significantly lowered our economy's financial health, but entrepreneurship has increased. Many businesses fail because they have relatively poor tactics, and without effective branding and advertising, they run into a number of unresolved problems. The sole reason for the excitement around the digitalization of marketing is that reading online reviews and comments from other customers who have purchased from a particular retailer is the primary way that any consumer decides whether to purchase a product, whether it be online or in a physical store or mall. These considerations have led people to switch from traditional marketing strategies to internet shopping. These factors serve as a motivating factor for firms to switch from outdated and conventional techniques of marketing to internet platforms.

## Review of Literature:

Nowadays, everyone is demonstrating a divergence of economic activity from financial, political, natural, and other issues. Through the internet, the entire body of knowledge is now at a person's fingertips. Internet era forecasting has a lot of potential because the e-commerce platforms industry is constantly developing. People now purchase things with a single click, making purchases and returns quick and simple. Start-up companies do not adopt online marketing very rapidly since it entails significant financial risk, requires significant up-front expenses, and many other dangers. In order to analyze and create this paper on start-ups' use of digital marketing, a variety of case studies, journal publications, articles, and researches were gathered. Start-up marketing, digital marketing, ABCD analysis, entrepreneurship challenges, online marketing by start-ups, and e-commerce strategies are among the keywords. Therefore, the previously indicated keywords were effective in helping me locate the best and most relevant research papers and publications to use as references for this paper.

**Table 1:** The table describes articles on keywords written by various authors:

S. No	Area	Contribution	Authors
1	Startup Marketing	Agility, feasibility and adaptive nature among entrepreneurs takes the business plan to heights. Digital marketing with less funds is a skill that every businessmen need to consider.	Swenson, M. J., Rhoads, G. K., & Whitlark, D. B. (2014).
2	Digital Marketing	Digital marketing inculcates various strategies that bind by the rules of marketing. A user of digital marketing has to be cautious while adopting digital marketing to face any upcoming challenges.	Olson, E. M., Olson, K. M., Czaplewski, A. J., & Key, T. M. (2021).
3	ABCD Analysis	Analyzing various advantages, challenges, risks and disadvantages to the business by adaptation of online marketing by step by step analysis is very crucial for every businessman. Startups need to draft each step and carefully consider all the aspects.	Aithal, P. S., & Kumar, P. M. (2016).
4	Entrepreneurial Challenges	Startups occur through broadened knowledge and evolution of human thinking. Compared to past decade, entrepreneurship is booming in the current phase of economical surge.	Catherine, Wang., Harveen, Chugh. (2013).

5	Online Marketing	The author mentions different types of marketing through online method. The impact internet has created on the current world and strategies marketers use. Due to these aspects, internet aims to revolutionize the current world into something unimaginable in future.	Soheila, Bostanshirin. (2014).
6	Online Marketing by Startups	Businesses encounter many hurdles in daily routine of carrying out trade transactions. Digital marketing has been the only source that enables startups and businesses to carry out trade-transactions smoothly.	Wael, S, Basri., Mohammed, R, A, Siam. (2017).
7	E-Commerce Strategies	The study has been conducted based on various marketer's view points and consumer's opinions on the impact of digital marketing activities.	Habib, Ullah, Khan., Stellamaris, Uwemi. (2018).

In relation to the aforementioned publications, changes have been seen in the way that marketers' marketing tasks are organized. The interests of customers have changed as a result of one-to-one networking. Internet trade, commonly referred to as e-commerce, is the exchange of goods and data for cash through the internet. Additionally, it enables contemporary marketing strategies that involve instantaneous information transfer. New types of marketing are more successfully developed while using traditional marketing strategies. Many technology-driven firms and start-ups have used the fundamentals of digital marketing to launch their operations. As a result, in the modern world, digital marketing plays a crucial role in the lives of marketers. The entire skeleton of marketing would be lifeless without digital marketing. SMEs and start-ups are therefore fond of the phrase "digital marketing" because it enables them to get closer to their target audiences.

### **Objectives of the Study:**

The objectives of the study provide clear understanding of the main motto for the article to be written by the author. The objectives provide the base for in-depth knowledge of the subject. Below depicted are the objectives of the study:

- (1) To understand the performance of startups pre and post digitalization
- (2) To analyze the impact of digital marketing on startups
- (3) To analyze various strengths and weaknesses of the adoption of digital marketing by startups
- (4) To study causes that drive entrepreneurs toward digital marketing
- (5) To evaluate various e-commerce platforms and digital marketing tools for startups

## **Research Methodology:**

The current study on "Performance of Start-ups through Digital Marketing" has referred to numerous publications, case studies, and papers. This semi-systematic review of the literature was done by looking at many articles from sources including Research Gate, Springer, Google Scholar, Srinivas Publication, SSRN, and others. The total number of publications from secondary sources has been examined for the study's successful publication. These sources serve as the cornerstone for analysing all of the study's objectives.

## **Startup and Entrepreneurship:**

Starting a brand-new business from scratch might be difficult. Different authors have had different opinions about this. Since start-ups have the potential to make a significant contribution to the rising economy, this has been a topic of discussion recently. Start-ups are created by combining various stages. Before a start-up is launched, a well-defined plan must be methodically established. When analyzing the marketing success of start-ups, there are essentially two points of view. internet marketing both before and after. For entrepreneurs, traditional marketing strategies are no longer effective because their perspective on the market is completely different. Instead of employing systematic methods, entrepreneurs focus on informal communication. Even back then, entrepreneurs have found success by using conventional marketing strategies. In-depth research on entrepreneurs' mind-sets is needed to analyse the veracity of this hypothesis. The study that is discussed below can assist you comprehend the aforementioned marketing ideas more fully.

## **Impact of Traditional Marketing on the Performance of Start-Ups:**

With traditional marketing, products are physically sold door to door, there is no online presence in the form of websites or mobile applications, and no way for customers to contact the store online. In the early 2000s, businesses only used electronic gadgets including telephones, computers, televisions, radios, and telegraphs. With the later invention, organizations encouraged staff members to leave employers and launch their own firms. One such industry that most researchers have yet to explore is "start up." It is a rising subject that draws both young and older generations of individuals to express their enthusiasm in advancing their careers and launching new, original businesses. The encouragement of start-ups has prompted the governments of several countries, like India, Korea, and China, to assist young people in putting their ideas into action by providing funding that has been raised by the nation for improving the public and economic. Robots can reduce human labor to some level, but when robots and automated systems don't operate, traditional methods

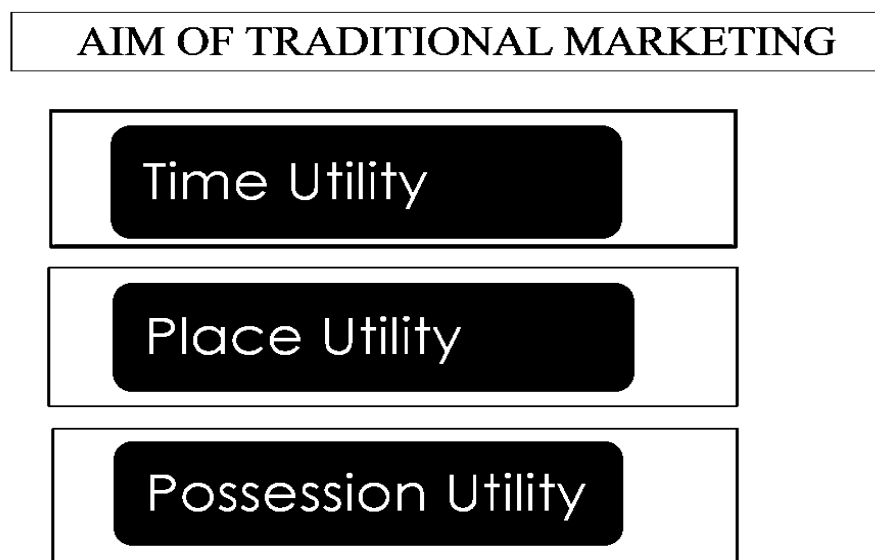


still hold true. In essence, traditional marketing bridges the divide between digital and social marketing. The following examples show how traditional marketing was both a blessing and a curse for marketers:

Traditional marketing encourages buyers to make the effort to find the time to walk up to the store and examine a product, whereas it encourages customers to evaluate a product's worthiness and decide whether to buy it or not. In the digital realm, there are no physical barriers. For personal reasons, people used to need solid relationships with their neighbors in order to maintain their client base. Marketing is in high demand today since it gives customers a variety of options from neighborhood stores or online vendors who are farther away, based on convenience and satisfaction.

Word-of-mouth encourages consumers to have high expectations for a product, but it also causes a change of heart during the physical inspection, which means that if the product falls short of expectations, the consumer may opt not to purchase it. Reviews have a big impact on marketers. A single evaluation has the power to instantly increase or decrease a company's profit margins.

Start-ups without an online presence find it difficult to connect with customers and gather online feedback, whereas those that have can respond to customers' questions with ease. Traditional marketers cannot physically or mentally coerce consumers, but online presence can readily influence consumers' decisions.



**Fig. 1: Aim of Traditional Marketing**

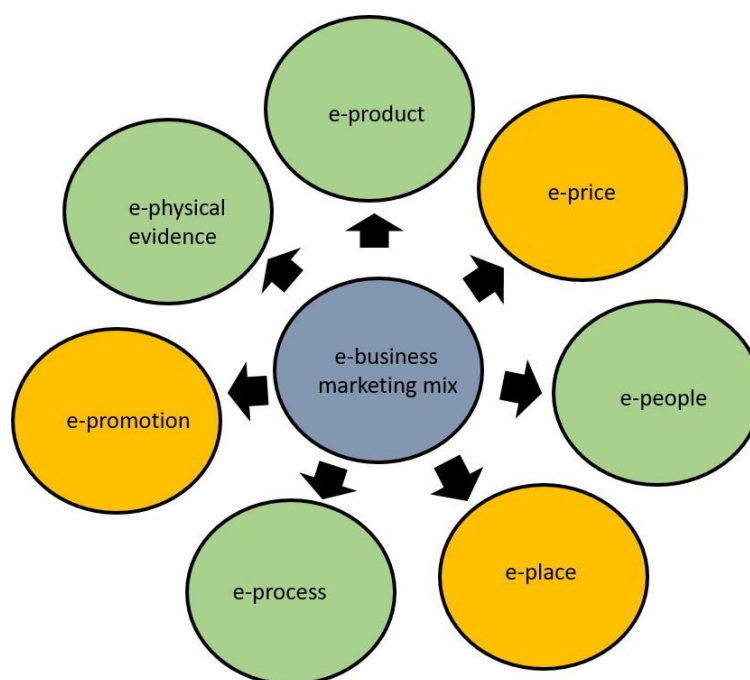
*Source: Durmaz, Y., & Efendioglu, I. H. (2016). [40]*

The goal of traditional marketing is to stay within one's comfort zone, whereas the goal of marketers is to do something spectacular outside of their comfort zone. These are the factors that make start-ups suffer from

a lack of online presence, which kills market competition. With the development of information technology, the internet has taken over the world [33]. Traditional marketing has had a terrible effect and made it difficult for all marketers to connect with their audience, get data and feedback, and demonstrate that they care. Due to these troublesome situations, marketers developed digital marketing, which enabled them to compete by using original ideas and thinking [34].

### **Impact of Digital Marketing on Functioning Of Start-Ups:**

Technology's rapid advancement enlightens business people's paths towards sustainability. Even a regular shopkeeper will frequently launch his own business using digital marketing to build brand loyalty and win over customers. Every start-up's strength is digital marketing, which enables business owners to improve revenues through tactics like pay per click and other cost- and money-saving measures. Modern methods frequently draw on a variety of ideas. Traditional marketers concur that current marketing techniques increase their return on investment and foster consumer loyalty. When it comes to competition, traditional marketing strategies suffer a devastating loss. Through its cost-effective tactics, modern marketing helps businesses cut costs and boost profits. Due to current trends, start-ups often feel comfortable managing their businesses. The majority of consumer purchasing behavior, as well as marketers' efforts to sell items, were hampered by traditional marketing. To compete in the market and reach target consumers, digital marketing requires relatively little funding. With increased agility and freedom to purchase a variety of items with less money, e-business tends to offer a lot of advantages to clients based on these valid arguments. McCarthy first proposed the seven Ps of digital marketing for start-ups in his 1960 book Basic Marketing. Over time, these principles evolved into the seven Ps of digital marketing for start-ups: price, product, people, promotion, place, and procedures.



**Fig. 2:** 7 Ps of Marketing Mix for Startups

*Source: Shukla, S., & Dwivedi, D. (2020)*

### **Digital Marketing Strategies:**

A nation must have a clear focus on its long-term goals if it is to support start-ups. An economy's goal is expansion, which drives the rise of start-ups either directly or indirectly. A lack of finance could result in losses; therefore, these entrepreneurs struggle to promote their innovative strategic ideas onto the platform before clients. They now have more confidence and are able to implement ideas with less money and more advantages. The three main types of business models that entrepreneurs establish are: a. market-driven; b. technology-driven; and c. exit-driven. In essence, the model that entrepreneurs select will determine how much money they will carry. Costs fuel value, which enables them to seize chance. E-commerce is a crucial component of digital marketing, which is rich in resources and value and may bring in significant profits for business owners and marketers. The market for e-commerce is analogous to that of physical commerce. Customers purchase for goods and services in e-commerce by visiting websites and applications created for the internet. The internet is as robust as the Great Wall of China thanks to a dynamic globe with no end to the number of individuals who can access it. Distractions of any kind cannot slow down the internet.

### **Various E-Commerce Marketplaces Enable Marketing Start Up Products:**

Start-ups are essential to the expansion of our economy. By offering diverse resources such as monetary rewards, income creation, a ground-breaking method to building company models, and the ability for

unemployed people to resume their careers, it has the potential to transform the world. Since established businesses have long used digital marketing to sell their goods online, start-ups are more drawn to this strategy after observing established businesses that succeed in the marketplace. Marketplaces allow customers the freedom and space to discover and engage with a new world that has a wide range of marketing exposure to buy and sell products and services online. People use the internet to research a range of product categories with tiers of quality and price that are appropriate for their standard of living. E-commerce sites like Flipkart, Amazon, and Myntra profit from the middlemen that make it easier for sellers to list all of their goods on these application platforms. Online marketplaces also have the advantage of publishing distinctive adverts. Comparatively speaking, start-ups have a lot more to boast about than established businesses. Start-ups target untapped markets, which generates a variety of concepts and approaches to use in the marketing process. Online platforms and tools allow vendors to send money directly. The products to customers without any hindrance from brokers or middlemen of any form. Instagram, Facebook, and WhatsApp are just a few examples of the numerous applications that have been created and are now being used by start-ups sellers to sell products online. These applications were first created with the intention of connecting users through the ability to text and call over electronic devices, but developments have led to their use for displaying advertisements and promoting products online with the intention of selling without the need for any middlemen. Mediators raise the price, and the vast majority of the profit share goes directly into their pockets. Without middlemen, online marketing enables sellers to transact. Sellers use a sustainable strategy to satisfy customer wants and needs and preserve enough resources and commodities to meet future generation needs, this is very well understood by the idea of online marketing, which occasionally develops original concepts. The most common e-commerce categories are Business to Business, Business to Consumer, Consumer to Business, and many others that have the potential to change the way the market does business. Ikea, Apple, Samsung, Prestige, Dell, Lenovo, OPPO, and many more firms sell their accessories on online marketplaces. The payment and processing are extremely swift, quick, and dependable, which is the fundamental characteristic of online marketing. In actual stores, businesses pay a cashier and an accountant to take payments, create invoices, handle receipts, and manually deliver them to customers. Artificial intelligence (AI) controls online mode, which expedites every function by lowering the amount of human work needed and helps conserve both time and labor. Start-ups use marketing platforms in this way to sell manufactured goods and services online, develop leads by turning leads into possible devoted consumers, and earn income.

## ABCD Analysis:

The chart details the specific difficulties, merits, benefits, and advantages that entrepreneurs must deal with. This analysis aids in comprehending and determining the applicability of various start up working models, as well as the organizational features and results of digital marketing [54]. In the modern era, digital marketing is a hub for many economic sectors, opening doors for many businesses to travel the globe. The growth of start-ups is supported by the dollar returns that branch expansion in other nations generates. The ABCD analytical approach, as demonstrated below, allows readers to obtain insights into unexplored concepts related to the current research issue. With the emergence of start-ups and their growth leading to the improvement of antiquated technologies and the system of working, understanding the industry provides knowledge of the systems and objectives and reveals various loopholes as well as positive aspects where the industry can improve. The table of multiple ABCD analyses on the performance impact of start-ups' adoption of digital marketing on the efficient operation of ongoing enterprises is presented below.

**Table 2:** The table represents ABCD Analysis of digital marketing adoption by startups:

<ul style="list-style-type: none"> <li>➤ Enormous growth</li> <li>➤ Scope of expansion</li> <li>➤ Increased customers</li> <li>➤ Tap larger geographical location</li> <li>➤ Compete with well-established firms</li> <li>➤ Capture ideas and technologies</li> <li>➤ Attract customers with various offers and discounts</li> <li>➤ Agile and flexible in work culture</li> </ul>	<ul style="list-style-type: none"> <li>➤ Attract fund generation through investments from investors</li> <li>➤ Unique ideas and well-planned business model lead long term growth</li> <li>➤ Technological adaption</li> <li>➤ Provide job opportunities to unemployed</li> <li>➤ Support women to restart career</li> <li>➤ Revenue generation</li> <li>➤ Less workforce and budget friendly</li> </ul>
<ul style="list-style-type: none"> <li>➤ Lack of funding</li> <li>➤ Increased competition</li> <li>➤ Outdated technology</li> <li>➤ Breach of secrecy</li> <li>➤ Unlimited risk</li> </ul>	<ul style="list-style-type: none"> <li>➤ Customers unaware of authenticity of products</li> <li>➤ Lack of demand in the market</li> <li>➤ Price and quality issues</li> <li>➤ Customers doubt the quality of products</li> </ul>

<ul style="list-style-type: none"> <li>➤ Lack of future forecasting</li> <li>➤ Negative impression on customers through unacceptable product promotions</li> <li>➤ Dynamic customers likings and preferences</li> </ul>	<ul style="list-style-type: none"> <li>➤ Customers showing lack of willingness to try new and unique products</li> <li>➤ Technological changes</li> <li>➤ Changes in standard of living</li> <li>➤ False news and rumours on social media</li> </ul>
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*Source: Author*

## Findings:

The research study on the effectiveness of digital marketing for start-ups has been successful in identifying a number of relevant observations that will aid readers in understanding the findings and analyzing the study for future study. Following observations are made after reading the paper:

1. Attractive government initiatives support business owners in launching start-ups
2. Start-ups increase the amount of money flowing through the economy.
3. Start-ups have been effective in reaching a larger portion of the world through digital marketing than was previously possible due to physical distance.
4. The advancement of technology has made it possible for business owners to switch from traditional to digital marketing.
5. Entrepreneurs have a great belief in the power of digital marketing to help them publish adverts online and draw in clients.
6. Negative online evaluations can harm a band's reputation in the marketplace.
7. Digital marketing will rule the planet in the future.
8. Start-ups benefit from digital marketing since buyers purchase their items via their websites and online marketplaces.
9. Start-ups offer opportunity for people to work in the logistics, supply chain, finance, and marketing sectors. This promotes the development of every country.
10. Via the online performances of entrepreneurs, healthy rivalry is created, which drives down product costs to levels that even a person with limited resources might pay.

## **Recommendations:**

The following list of recommendations from the study, which was based on the analysis of several studies, stands out among the rest for emphasizing the significance of digital marketing for start-up performance.

1. New businesses need to include high-quality 360-degree views of all their products. This feature would draw viewers and encourage word-of-mouth advertising among people. Once start-ups adopt 360-degree view features, demand will increase.
2. To market and foster a feeling of community among the customers, entrepreneurs must designate their base location on social media platforms and e-commerce marketplaces. Additionally, this would raise consumer demand for goods that have some domestic manufacturing.
3. To foster competition and award enticing prizes to the victors, start-ups must run contests between customers through digital marketing. These contests would be enjoyed by customers, especially kids, who might end up becoming devoted patrons of the brands.
4. Start-ups must adopt superior technology and high-speed internet capabilities in addition to a variety of methods. The quickness of business and transactional processes minimizes additional customer effort and time commitment.
5. Entrepreneurs must introduce innovative concepts and inventive business models without worrying too much about future demand; this will encourage customers to test out and review new products. This is one of the best strategies to build a brand and keep the features up to date with customer preferences.

## **Conclusion:**

In order to create distinctive products with tempting prices and offers, the research on analysis of start-up performance through digital marketing looked at several e-commerce platforms. The topic has been studied by reviewing a number of studies. As the administration continues to have inspired young people to launch their own companies and to use their ideas, methods, and creativity. The paper's recommendations section focuses heavily on how start-ups might expand their intellectual capacity to compete with more highly developed companies and to trade in a welcoming environment. Start-ups are beneficial to customers since they create job opportunities and strengthen the nation's financial structure. To sum up the paper, Start-ups must strengthen their internet presence and ensure that everyone can pronounce their brand name. Demand and supply must be in balance for the products to remain in stock and be available to customers seven days a week, 24 hours a day. Before introducing new products, a thorough analysis of the market is essential to

determine the tastes and preferences of a sample population in order to better understand consumer expectations. As a result, the businesses get impressive results from their online presence via social media and e-commerce marketplace services.

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# **Attribution of Profits to Permanent Establishments in EPC Contracts– Taxability Thereof - Issues Arising and Judicial Views -Under Direct Taxes -An Indian Perspective**

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## **Abstract**

The importance of tax litigation in Indian economy, is quite significant and brings to fore many interesting cases and issues, particularly in the context of Engineering Procurement Construction contracts, and the PE arising related thereto. Attribution of profits arising herein, is a crucial basis on which only the crux of taxability of income arising is linked to. The revenue has to prove the arising of Permanent Establishment (PE), in the specific case, and then has to attribute a share of profits that can logically be derived. Once the PE is established, the attribution bases have to be specified and determined basis which profits arising in the country are computed and arrived at, which becomes the income liable to taxation. In the absence of any PE arising the charge of attribution will not arise. Again, once PE is proven to exist, the proportion of income accruing to the PE can only be taxed. The authors go through the various rulings both International and National jurisdictions, and discuss how the allocation of profits to PE is done. This is a bone of contention for revenue and the assesses. In the absence of any specific guidelines, the Indian courts have gone through various cases and evolved their own principles in this regard. The authors examine the methods followed by OECD, IRS (US) and the Indian Tax authorities. A peek into the transfer pricing methods, and approach used as linked to attribution of profits for the entity and factors which go into the same are also examined. A possible theoretical framework is also being proposed by the authors to look at the possible way as to

determine how the attribution of Profits the PE arising can be made and to arrive at the level of approximate level of profits that can be taxed and thus reduce the litigation in cases.

**Keywords:** Permanent establishment, Attribution of profits, Engineering Procurement Construction Contracts, Tax litigation, Transfer pricing, Function-Asset -Risk (FAR) analysis,

## 1. Introduction

The concept of Permanent establishment(PE) is a key one and liability to taxation arises on the fulfilment of conditions related to a PE, and it is restricted to the proportion of revenue or profits generated by the establishment, arising in the country and does not apply to the entire profits generated for the entity . This necessarily brings to focus the aspect of allocation of profits and the Indian Income-tax Law provides suitable mechanisms for the purpose. Rulings available from the court also indicate that different factors are considered for the purpose of allocation of profits to the PE. This necessarily causes delays, breeds litigation and makes the business environment uncertain. The provisions of Transfer pricing helps in allocation of profits – across the entities, and to PE arising in a particular entity and these are governed by the provisions of Sec -92A to 92F and Rules 10A -E of the IT Rules, and with different methods of determining the arm's length pricing also give room to the tax officers to exercise – their own discretion, and approaches to allocate the profits , which again are contested by the tax payer.

The PE is generally defined in Article 5 of the OECD Model convention and generally the existence of PE is most frequent issue faced by tax payers and the administration .The legal basis are that the business is conducted through a fixed place, construction or installation beyond 12months, furnishing of services under certain conditions, person authorized to conclude contracts on behalf of foreign entity, and exclusion if the person is of independent status .Under the Indian regulations R -92F provides that PE includes a fixed place of business through which the business of enterprise is wholly or partly carried on .

Only that percentage of a profit that may be properly ascribed to operations conducted in India is subject to tax, according to Section 9 read with CBDT Circular 23 of July 1969.Regarding the allocation of profits determine the actual profits, if they can be determined. If the Assessing Officer (AO) believes that actual profit determination is unsuccessful, he may also use other methods, such as i) adopting a reasonable percentage of turnover, ii) adopting the global profit apportion ARY method of a ratio that Indian receipts

bear to global receipts, or iii) any other method that the AO deems appropriate. What percentage of earnings were generated or arose in India is fundamentally one of the facts. What is substantially traceable to activities conducted in India alone can be treated as the revenue of business assumed to arise or accrue in India under explanation 1(a) of section 9(1) of the IT Act.

According to S-90 of the IT Act, the provisions of a Double Taxation Agreement (DTA) would take precedence over those of the IT Act if they are more advantageous to the tax payer. As stated in Art. 7(2) of the DTA, the direct accounting method assumes what the PE would have made if it were a distinct and separate entity engaged in the same or similar activities under the same circumstances and transacting entirely independently with the enterprise of which it is a PE. If this technique proves impossible to implement, the alternative is to use any acceptable mechanism typical in contract states, such as allocating the entity's overall income to the PE or using any other bases or foundation.

The practices for apportionment vary across entities too, in different countries, and are as below: -

Sr no	Country	Method
1	USA	Major states(2/3 <sup>rd</sup> ) follow sales, while some states (less than 2/3 <sup>rd</sup> )- 3 factor formula
2	Canada	Equal weight to revenue, wages, has industry specific formula for insurance, railways, airlines
3	Switzerland	Three methods -used -direct method profits -as per separate accounting, indirect method -factors -turnover , payroll -mixed method -first level use direct method and then use indirect method
4	China	Deemed profits under three methods -i) Total revenue (when revenue can be determined but not costs)ii) Total cost ( costs can be determined , but not revenue) or expenditure plus method. Different slab for deemed profits are attributed to different categories and attributable profits are computed
5	India	Mostly it is FAR, but many cases have ensured that Rule 10B is also adopted – for allocation, arm's length price is stressed upon by courts. India does not endorse the OECD position on allocating risk. Proportionate methods, using local sales to global sales, local profits to global profits approach is used.

## **Attribution of Profit to Permanent Establishments**

The Central Board of Direct Taxes (CBDT) in India established a Committee with the following responsibilities: Examining the current scheme of profit attribution to PE under Article 7 of Double Taxation Avoidance Agreements (DTAAs); Examining the contribution of demand side and supply side factors in profit attribution; and Recommending any necessary changes to the existing IT Rules, with the objective of clarity and certainty of applicable taxes.

On April 18, 2019, a draft report on the allocation of profits to non-resident businesses' permanent establishments (or "PEs") was published. Existing scheme of profit attribution to PE under Article 7 of DTAAs is covered in the Committee's findings and suggestions. Demand- and supply-side variables' contributions to profit attribution, and final suggestions were made by the Committee.

The Committee has proposed a three-factor formula-driven apportionment strategy, giving equal weight to sales, manpower (i.e., workers' salaries), and assets. This combines factors related to supply and demand, allocating profits from India in a way that splits them between the country where sales are made (driven by the market and consumers) and the country where the production factors are situated or where supply-related activities are carried out, in a balanced manner.

A four-factor strategy to allocating profits has also been proposed in connection to the idea of Significant Economic Presence. Users, the fourth component, have a weighting of 10% for business models with low to medium user intensity and 20% for other scenarios. In this scenario, the weight allocated to revenue would stay at 30%, but the remaining percentage would be distributed evenly among personnel and assets.

## **2. Review Of Literature**

Stack, R. (2021), mention the allocation of profits to permanent establishments, are covered in Article 7 of the OECD Model. The arm's length norm is included into article 7 according to the OECD Commentary on Article 7, although how this is done for the purposes of article 7 has traditionally been the subject of much discussion. This dispute was greatly reduced by the Authorized OECD Approach (AOA), which was adopted in 2010, but not fully, and especially not with regard to US treaties. The US Treasury has explained how to attribute profits to permanent establishments in non-AOA treaties through the technical explanations of US treaties and in litigated cases. This article examines those explanations in detail and considers how they can be reconciled with the US Treasury's view that article 7 embodies the arm's length standard.

Lincoln, I. V., & Andrew, C. E. (2017). -When it comes to permanent installations and profit attribution, the OECD and UN Models fabricate the idea of a "separate and independent enterprise" or a "distinct and separate enterprise." To calculate the internal earnings and costs between the firm and the PE, each approach—all three—offers a unique method. Different methods for compensating and allocating earnings between the permanent establishment and the firm are also provided in the commentary of each individual approach. Dealings are the exchanges of money between the PE and the corporate office. Such transactions between the two are referred to as "dealings" since the permanent establishment is not a distinct legal entity; rather, it is only a component of the company. Through tax treaties, expenses may be deducted in accordance with the guidelines outlined in the OECD Commentary. It depends on the circumstances in which profits and costs may be assigned to a PE. The profits attributable to the permanent establishment less the costs are the final "profits"/income that may be taxed by a permanent establishment by a source state.

Collier, R., & Vella, J. (2019), observe that there are five key issues with the rules of attribution of profit to permanent establishments (PEs), as lack of a single standard, conceptual and practical issues arising in application of AOA, new pressures arising as a result of changes made by the BEPS project, inability to deal with differences between transfer pricing rules and PE attribution factors and new challenges arising due to work shifting to digital economy. They also refer to the fact that these are problems faced by international tax system as a whole and give their suggestions to resolve the same.

Action, B. E. P. S. (2018), states that a non-resident enterprise's obligation to pay income tax in another State depends on the concept of permanent establishment (PE) under tax treaties. As a result of the work on Action 7 of the BEPS Action Plan, the Report on Preventing the Artificial Avoidance of Permanent Establishment Status (Action 7 Report, OECD 2015) recommended changes to the definition of PE in Article 5 of the OECD Model Tax Convention, which is frequently used as the foundation for negotiating tax treaties.

Hagemann, T. (2017) mentions due to the fact that the attribution influences the level of taxes in a PE state, the attribution of earnings to Permanent Establishments (PE) is one of the most debated problems in international tax literature. If such earnings are earned before or after a PE exists, certain issues arise. The assignment of such earnings under the OECD Model Tax Convention's provisions for tax treaties is discussed in the article. In doing so, it is discovered that earnings earned before or after the creation of a PE should be

assigned to the PE since this perspective is supported not only by the OECD Model's terminology but also by its context and goals. However, additional investigation reveals that the new "Authorized OECD Approach" may result in minor alterations in the attribution.

Rizzo, A., Orlandi, A., & Latino, M. C. (2021), analyses the changes to the definition of the DAPE and the principles that should ultimately govern the attribution of profits to dependent agent PEs by proposing a numeric example. Since the functions performed by the local related party or dependent agent on behalf of the principal are crucial for an arm's length compensation to the local related party or dependent agent, and for the attribution of profits to the DAPE, the authors have described the functions performed by each entity and tried to demonstrate that, if the local related party or dependent agent have been correctly rewarded, there might be no other risks and no further profits to be attributed to the DAPE. or dependent agent has been rewarded at arm's length for all its functions, risks and assets, the net profit attribution to the DAPE could be zero or very near to zero.

### **Research Gap**

In the aspect of EPC contracts the attribution of profits to PEs has been clearly one of the most important aspects of taxability of a PE as pronounced by the courts. Due to the value of contracts, the different routes adopted by the assesses to reduce their tax liabilities, lack of appreciation of correct legal position by the taxman, the different judgments of the judiciary, have created more confusion as to attribution of profits to determine taxability. Further the DTA between the two states (countries) involved also adds another dimension to how the taxability issues are arising, on the matter of attribution of profits to PEs. Various studies that have been conducted in the past on the importance, relevance, of the attribution of profits, but solutions are not easily forthcoming, indicating very many dimensions of attribution of profits to PEs, giving rise to tax litigation. It gives the scope to do further research based on engineering procuring contracts, as the past studies have not touched upon the EPC contracts aspects, which form the fulcrum of foreign investors interest in Indian EPC projects. This study proposes to examine the attribution of profits to PEs arising in EPC contracts.

### **Data Source**

The study uses secondary data from various Govt reports, past studies, CBDT publications, OECD Publications on attribution of profits to PE, Deloitte Publications, KPMG publications, Itatonline.org,



Chartered Accountant Journal, Bombay Chartered Accountant Journal, High Court, Supreme Court, and AAR Judgements, etc. The authors look at the past data of outstanding tax cases, involving attribution of profits, how it has been decided in the past at various levels at ITAT, HC, and SC levels over the period from 2007-08 to 2020-21 for this study.

### **3. Objectives of Study**

1. To study the issues involved in the attribution of profits to PEs.
2. To study the basis of Apportionment of profits being followed under OECD approach and the Indian IT Act perspectives.
3. To examine the deemed profits approach to taxation under IT Act and see if this can be applied to EPC contracts.

### **4. Methodology**

The author proposes to examine past studies in this regard and the way apportionment of profits is done by Entities and courts in their rulings, the factors going into the attribution of the same and how it has been dealt with by entities. Reports, KPMG, E&Y, Deloitte etc. reports. The study is an exploratory study. It gives us an insight into the current trends in industry practice being advised and recommended. The study examines the theoretical aspects of attribution of profits followed, and how Transfer pricing regulations/approach can be used, particularly in the context of PE arising, which then gives rise to taxability of Income, and the different cases where attribution of profits is decided by the different courts.

### **5. DISCUSSION:**

#### **I. To study the issues involved in the attribution of profits to Pes Attribution of Profits- Case Laws**

The past review of cases, in the context of PE arising in EPC contracts indicates that the arising of PE was crucial, linkage to work carried out in India, to the profits earned is important before any attempt to tax the same can be made. Some of the cases are listed out as under:-

- i) Morgan Stanley and Co Inc (SC)(292ITR416) –The SC ruled that PE should be considered as an independent business that operates independently of the HO and at arm's length. No further attribution of profits is possible if arm's length pricing includes all risk-taking functions of the

company. Only if international company functions and risks are not taken into account, additional income attribution is possible.

- ii) Rolls Royce (Delhi Tribunal –(113TTJ446))- It was held that activities held outside India not taxable. PE determined using Fixed place concept, of the profits 50% allocated to manufacturing, 15% to R &D activities, 35% to marketing activities.
- iii) Clifford chance (Special Bench): - When calculating the amount of earnings that can be directly or indirectly ascribed to a PE, the breadth and ambit of such gains must be interpreted in accordance with the applicable DTAA.
- iv) Nokia/ Motorola Inc. Vs DCIT (Delhi Tribunal -95ITD269)-It was recognized that significant activities of manufacturing and R& D took place outside of India. Risk related to acquiring equipment sale should not be attributed to PE. 20% of profits held to be attributable to PE, based on proportionate India sales 10% each was attributed to network planning and negotiations, 10% towards signing of contracts.
- v) DCIT vs Metapath Software International Ltd - According to the India-UK DTAA, deputed personnel were deemed to be a service PE in India. Since the deputed employees were involved in contract negotiations, the profit attributable to the PE was calculated at 8% of turnover using Rule 10B of the IT regulations.
- vi) BBC Worldwide Ltd (Delhi Tribunal) - The SET satellite and the Morgan Stanley case were both relied upon. If PE is paid at an arm's length price, no additional attribution of profits is necessary.
- vii) Galileo International Inc (Delhi Tribunal -95 SOT 257) - Based on FAR analysis, the income attributable to Indian activities was calculated. Since PE was paid at a higher rate, 15% of income was judged to be appropriate to it; no further attribution was made. No additional attribution is made if the dependent agent receives an arm's length payment.
- viii) Nortel Networks India - The Indian firm, which served as a service provider and sales outlet, oversaw all business operations for the foreign entity. The fact that group company workers travelled to India suggests that the Indian entity served as the conduit via which the foreign corporation's operations in that country were conducted. Since all activities are carried out in India on behalf of the foreign business, PE is attributable to extent of 50% of worldwide earnings.

- ix) Adobe Systems Software Ireland Ltd V ACIT (Delhi)(2023) ITAT held that when the transaction between an assessee and its Indian AE is found to be at arm's length, no further attribution of profit can be made to the dependent agent PE in India .
- x) DIT. vs. Travelport Inc., Civil Appeal No. 6511-6518/2010 (Supreme Court) -In this case the Supreme court has held that whether attributing 15% of revenue as income arising in India is correct, held that as long as the price paid is at arm's length the provisions of S -9(1)(a) needs to be complied with and only what is reasonably attributable to the operations carried out in India alone can be taken as the income of business deemed to arise or accrue in India. The question as to what proportion of profits arose or accrued in India is essentially one of the facts and the Delhi Tax Tribunal has taken into account relevant factors, and decided in favor of the assessee, taking note of the factors as FAR, ( Function, Assets, Risks ), then arrived at the attributable profit to the assessee.
- xi) SAP LAB INDIA PVT LTD & OTHERS [TS-225-SC-2023-TP] the SC held that the HC can always examine whether the findings of the ITAT regarding determination of arm's length price has been arrived at following the provisions of Rule 10B, read with Sec-92C of the IT Act, and while determining the price the tribunal ought to follow the guidelines stipulated in Rule 10A to 10E and Sec- 92, 92A to 92CA, 92D, 92E and 92F. Any determination without considering the above provisions can be as perverse, and a substantial question of law is said to arise. It also stressed on the HC examining whether these are followed while determining the arm's length price. This has overruled the decision of Karnataka HC in Soft brands (P) Ltd case where it was held that ITAT is the final fact-finding authority on determining the arm's length price.

## **II. To study the basis of Apportionment of profits being followed under OECD approach and the Indian IT Act perspectives.**

### **The authorized OECD approach follows two steps:**

- i) Consider the PE to be a separate, unique business; do a functional and factual examination; attribute assets, risks, free capital, and funding; and acknowledge interactions.
- ii) Estimating the profitability of the hypothetical separate and distinct business using a comparison analysis

When performing its job, PE should earn an arm's-length return that accounts for the resources used and the risks taken in the same way as a comparable company. Applying the techniques outlined in the OECD TP standards should allow for profit to be traceable to the PE. Taxpayers are responsible for providing documents. In this case, two types of documentation are necessary: - i) records proving existence, characterization, and terms of trading. ii) Evidence documents to determine if profit attribution is in accordance with the arm's length principle.

### **Under IT Act**

Only income that was received, was judged to have been received, is accumulating, is deemed to be accruing, or is deemed to arise in India is subject to taxation under the ITA. The ITA considers all revenue to accrue or arise in India (S-9(1)(i)) whether it is derived directly or indirectly from a business link in India. According to the ITA, "business connection" is defined broadly to cover operations done by a dependent agent (see Explanation 2 to S-9(1)(i)). The only portion of revenue that is regarded to accrue or arise in India is that portion that can be properly attributed to operations that are conducted in India.

The procedure for determining profits is mentioned in Rule 10 of the IT Rules. The amount of such income may be computed in a few different ways if the Assessing Officer feels that the income generating or accruing, whether directly or indirectly, via or through any business relationship in India cannot be properly arrived at. These are the proportionate, discretionary and presumptive approaches. The discretionary approach gives option to the assessing officer to take any other process to arrive at the profits too. This also causes litigation. Further many court rulings have held once the relevant arm's length price has been determined, it becomes a bench mark for arriving at the relevant prices, following the most appropriate method, as specified in Income Tax 1961. This is again subject to the total proportion of assets, liabilities, sales and profits earned in India, bears to the total global portion of the like criteria being used. In other words, the specific country or region-based profits earned are pro-rated to that of global profits earned, and as also as the Arm's length price exceeds the same, it can be said the attribution to the specific country activity has been correctly performed. In this context linkage of the profits earned to be attributed to the permanent establishment is crucial.

$$F(F, A, R) = \text{Price}$$

Allocation bases can be A =Assets, T =Turnover, P=Profits E=Employees C=Country G=Global. Apportioned profits =  $F(CA/GA, CT/GT, CP/GP, CE/GE)$ —( to be allocated after allowing for proportionate

expenditure incurred in the generation of country profits ). This again can vary from 0% to 30% , and in some cases go upto 50% of profits , depending on type of activities performed in India. Also equal weights or proportionate weights can be applied to the different factors to arrive at the final outcome for attributable profits.

### **III. To examine the deemed profits approach to taxation under IT Act and see if this can be applied to EPC contracts.**

The presumptive taxation refers to taxation of profits based on assumed rate of tax on gross revenues. The deemed profits approach is more common in China, and appears to work well. Deemed profits under three methods is followed using -i) Total revenue (when revenue can be determined but not costs) ii) Total cost (costs can be determined, but not revenue) or expenditure plus method. Different slab for deemed profits are attributed to different categories and attributable profits are computed.

India has separate provisions embedded in the IT Act for deemed profits, but has limitations to be used in certain cases only and restricted to specific types of business as below. Though some forward movement is seen, but litigation remains much possible in the Indian sector. The key provisions are covered in S -44 of IT Act, wherein business operations are taxed at 7.5% for shipping business, 10% for exploration of mineral oils and turnkey power projects, 5% for aircraft business.

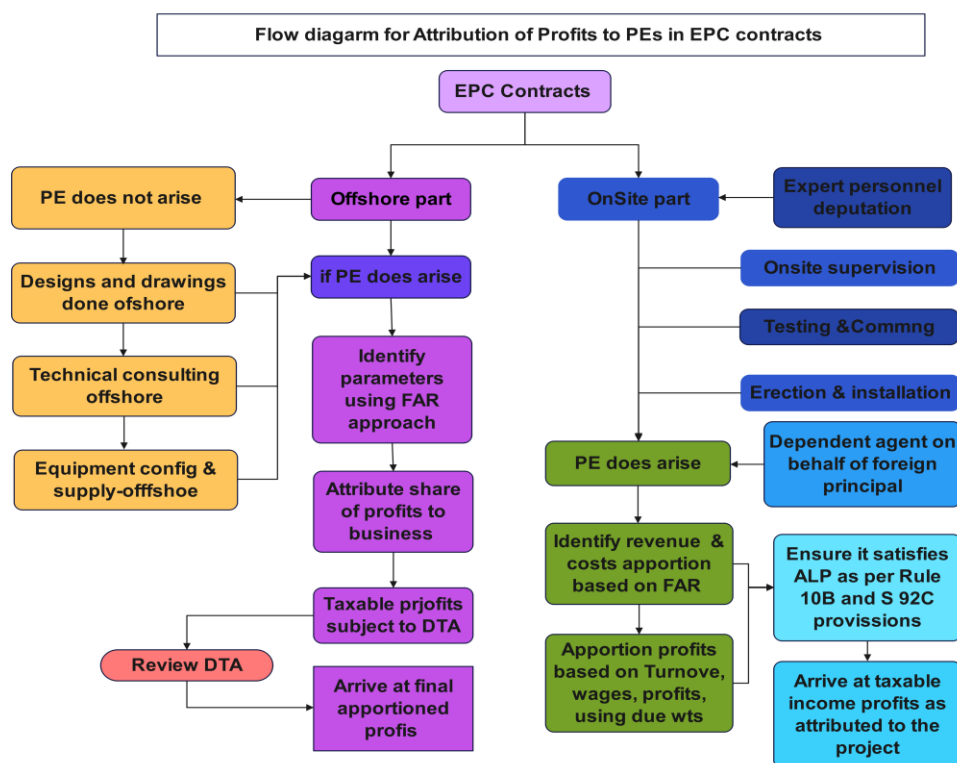
An insight into the apportionment of profits based on past cases decided by the courts indicate interesting features.

A brief list based on past cases decided indicate that negotiations , procurements, purchasing agent , providing equipment to customers ,raw materials and supplies to customers, are taken at 10% profits, supervision is taken at 25% profits, and marketing , sales , warehousing expenses at 30% as upheld by courts in its judgements earlier .

### **A Proposed Simple Framework for Attribution of Profits to Permanent Establishments**

The attribution of profits to PEs will depend greatly on many factors, and key among them can be constructed and incorporated into the profit determination function using the Functions, Assets, Risk etc which forms the key bedrock of Transfer pricing. Adjustments for various functions, the assets employed

and risk covered which are built into pricing, can be sufficiently good justification points for the arrival at arm's length price. The authors propose a framework for how the process of attribution of profits to PE is arrived in EPC contracts. These comprise of two parts i) on-site and ii) offshore. While clearly most offshore part is carried outside of India and hence is not within the ambit of taxation in India, in certain cases however due to contract structure getting composite or some part of offshore can be said to have given rise to PE, only a portion of the same becomes taxable, subject to the FAR analysis being performed. The onsite portion almost always triggers a liability to tax in India and here again the FAR analysis has to be performed to arrive at the arm's length price. Again whether a PE is triggered in a given case or not depends on the facts of the case and the Art 5, 7 read with DTA will be a deciding factor for the same. Once it is decided that the tax payer has transacted at the arm's length price, there is no further question of any attribution of profits to PE arising. Therefore, after attribution of profits to PE, one has to give effect to the provisions of DTA between the two states involved, and finally thereafter the attribution of taxable profits is arrived at. One has to clearly follow Rule 10B, read with S 92C and its attendant provisions, failing which, it will not stand the test as mandated by courts and can be challenged by tax authorities and quashed by courts.



## 6. Limitations of the Study

The study is exploratory and does not consider the behavioral attitudes and litigation nature for cases, department attitude in such cases involving in particular use of transfer pricing and tax morale in economies like India, and is not an empirical study.

## 7. Conclusion

The authors believe that the attribution of profits to PEs in EPC contracts needs to be more transparently decided by giving certain percentage of deemed profits on turnover of onsite, or equipment, etc. so that disputes are reduced, and certainty of tax outcomes prevails. The provisions of S -44 related to presumptive taxation currently in IT Act can be expanded to cover more EPC contracts as that would reduce level of litigation bring certainty in tax outcomes and help build investor interest, climate and confidence which is the dire need of the hour. If a separate codified set of provisions are made applicable for EPC contracts it would be reducing litigation and bring certainty in taxation of profits. Currently assesses as well as courts are using the provisions of Rule 10B read with S -92C as forming the fulcrum of Transfer pricing provisions to resolve disputes. While FAR analysis clearly reduces some amount of disputes, the current disputes arising out of India not accepting the OECD approach to FAR also contributes to litigation by MNCs in large EPC contracts.

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# Design and Development of Sustainable Website Application for Startups With Reference To Pharmacy and Construction Industry

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## Abstract

When we talk about starting a start-up, there comes a lot of problems like getting the correct information, competitors, investors and many more. This paper suggests the solutions to these problems. Paper at the start explains about what a startup is, its sustainability and how business intelligence will help startups. Anyone wishing to start a startup would benefit from the information offered by this application since it will make the idea feasible from an operational and financial perspective. The research paper also focuses on outlining how to launch a start-up in pharmaceutical industries and construction. This research paper explores the potential of web applications as a tool for assisting startups in adopting sustainable practices. This paper also discusses the government schemes for pharmacy and construction below.

**Keywords:** Startup, Entrepreneur, Sustainability, Business Intelligence, Enterprise.

## Introduction

Currently there is not a fixed definition of a startup in the Indian setting because of the subjectivity and complexity involved. When defining it generally, a number of factors are taken into account. These include

the company's operational and functional stages, personnel, the quantity and caliber of funding received. For the readers to understand the issues, these have been merged and are presented here. The Department of Industrial Policy and Promotion (DIPP) previously defined a startup as any firm registered in India as a private limited company, a partnership, or an LLP (Limited Liability Partnership) with turnover of up to Rs 25 crores.[1][16]

**Startups and Sustainability:** This part highlights the significance of startups in stimulating innovation and economic growth. It emphasizes the importance of startups adopting sustainable practices early on, as they have the flexibility and agility to do so. The researchers also identify web applications as a valuable tool for startups to adopt sustainable practices, offering functionalities in areas such as resource optimization, supply chain transparency, energy efficiency, and stakeholder engagement. A startup is an organization created to address public concerns or demand on a specific topic. Sustainability in this context refers to how a corporation employs techniques to deal with financial problems and market changes. Business intelligence, which involves using algorithms to analyze past data, is crucial in implementing sustainable strategies.[2]

### **The Role of Business Intelligence:**

Business intelligence refers to the strategies and machine learning algorithms used by enterprises to analyze production and sales data. It helps companies track material wastage, profit earned, and other factors to make better use of their funds. For example, a clothing enterprise can adjust its production based on seasonal demand, reducing wastage and maximizing profits. Using this strategy the company can earn profit with minimal wastage of materials. A startup needs time, money, and skilled labor to function successfully, yet occasionally, even with these resources, it still fails. The apparent explanation is that other businesses are being surpassed by competitors' diverse inventive ventures. It is crucial to monitor your competitors as a result.

The Indian startup ecosystem consists of approximately 10,000 startups, with 4,300 technology-based companies and 800 new launches each year. This also paper provides an overview of the startup landscape in India.[3]

The construction enterprise plays a crucial position in society, involving the planning, design, and production of physical systems that serve our everyday wishes. It incorporates a variety of stakeholders, such as architects, engineers, contractors, subcontractors, suppliers, and customers, and constantly adapts to technological advancements, regulatory modifications, and societal needs. This paper focuses on the

concerns concerned in purchasing land for construction purposes and highlights the crucial documents and allowances required whilst setting out production.

It takes careful preparation, a grasp of the pharmaceutical industry, and adherence to a number of regulations to launch a retail pharmacy firm. An interview with the owner of a general pharmacy firm is included in this research study and offers insights into the prerequisites and challenges of starting a retail pharmacy business. The findings shed light on the necessary training, monetary investments, location selection, essential pharmaceuticals, competition, permits, rules, marketing strategies, technological advancements, hiring procedures, and profit margins for the retail pharmacy business.

For aspirant business owners and those considering entering the pharmaceutical industry, knowing these variables may be quite insightful.

### **Research Objectives:**

The researchers used an approach which entails steps for target market research, analysis, assessment, and creative creation.

1. To comprehend the idea of startups, their situation, problems, challenges faced and difficulties encountered in India, Government programmers' for new businesses.
2. To explain the fundamentals of legally listing a startup.
3. To comprehend the process of competition analysis.
4. To provide assistance in starting a business in the construction and pharmacy retail store.

In the following section we are achieving first research objective 1

**Startups:** Startups are newly formed enterprises that play a crucial role in driving innovation and economic growth. However, they face various challenges, including the lack of financing, competitors, and the need for knowledge of current trends in various domains.[4]. Start-ups are the sort of businesses that use creative development, analysis, evaluation, and research processes for their target market. [5]. Startups in India: In India, more than 90% of startups fail within 4-5 years. This failure rate can be attributed to challenges such as lack of financing, competition, and limited access to helpful infrastructure.

**Challenges faced by startup entrepreneurs:** Young entrepreneurs face challenges while starting a firm, including developing a business strategy, finding a suitable location, and securing investors. They also need access to correct information, knowledge of competitors, and current trends to make informed decisions.

**Importance of planning and knowledge:** Starting a retail pharmacy business, for example, requires careful planning, knowledge of the pharmaceutical industry, and compliance with regulations. Similarly, for any startup, having a feasible, economical, and operational business plan is crucial for success.

**Government initiatives:** The Indian government has made steps to encourage entrepreneurship and startups. The goal of the study paper is to give insight into the difficulties experienced by startup business owners and the opportunities made possible by governmental goals, policies, and initiatives.

**Sustainability challenges:** Startups promote innovation and economic expansion, but their fast expansion and resource-intensive business practices also provide sustainability issues. It is crucial for startups to deal with these issues and guarantee their long-term viability.

**Website development project:** To provide assistance and overcome problems faced by many startups. The team in this context is designing and developing a website that provides information such as location, competitors, investors, etc. This website would help young entrepreneurs and existing businesses in making informed decisions, creating business plans, and saving time.

By tying these ideas together, we can comprehend the difficulties experienced by startups, the value of knowledge and preparation, the function of government efforts, the want for sustainable practices, and the potential worth of a website that offers information to entrepreneurs and enterprises just starting out.

The government's initiatives for entrepreneurs, existing prospects for them, and some of their obstacles will all be covered in the paragraph that follows.

The Indian government has implemented a variety of efforts to stimulate entrepreneurship and promote new firms. A survey of business owners revealed that each year, 1500 companies need support. The majority of these are businesses with which the government has contracts. The Mudra Yojana, CGTMSE (Credit Guarantee fund Trust for Micro and Small Enterprises), Financial Support to MSMEs (Ministry of Micro, Small & Medium Enterprises), and CLCSS (Credit Linked Capital Subsidy Scheme) are just a few of the startup-supporting programs that the Indian government has put in place. These programs offer qualified entrepreneurs and MSMEs financial support in the form of loans, subsidies, and grants:

### **Yojana Mudra**

As a part of Pradhan Mantri Yojana, which includes Refinance Agency Banks, or Mudra Banks, which lend to non-banking financial organizations and small finance institutions, it was established by Mr. Narendra Modi, our Prime Minister. Loans of up to Rs. 10 lakhs are made accessible to company owners under this plan.

Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE) - The Indian Ministry of MSME introduced the CGTMSE initiative. This project offers loans up to \$1 crore to qualified enterprises.

Ministry of Micro, Small & Medium Enterprises (MSMEs)- The government provides financial aid to manufacturing enterprises as well as technology that ensures all of their items are free of faults under this plan.

Credit Linked Capital Subsidy Scheme (CLCSS) - Entrepreneurs and MSMEs in India are eligible for a 15% subsidy under this initiative on investments up to INR 1 crore. The government-provided technological progress can help these businesses compete with other startups throughout the world, which is why this project was launched.

In the following section we will discuss some opportunities for startups.

Buy Indian: The "Make in India" campaign launched by Prime Minister Narendra Modi aims to encourage business investment in the manufacturing sector. The government has implemented measures to create a conducive business climate, increase foreign direct investment limits, protect intellectual property rights, and provide bank funding through programs like "Standup India." The campaign's purpose is to attract foreign investments and encourage domestic enterprises to engage in manufacturing, therefore contributing to the growth story. The administration also made a number of efforts to create a conducive business climate in the nation. For instance, an online system for submitting income tax returns, obtaining environmental clearances, and extending the duration of industrial license to three years has been implemented.[7]

The government increased the foreign Direct Investment limits for most of the sectors. Protection of the intellectual property rights of innovators and creators by upgrading infrastructure, and using state-of-the-art technology.

#### **Launch in India:**

- The prime minister also wants to establish policies that aid businesspeople and market his country as the best place for them. In August 2015, he unveiled a brand-new programme named "Standup India" to help businesses with bank funding and encourage young Indians to become entrepreneurs. In addition, he requested that each of the 1.25 lakh bank branches assist at least one business with a founder who is tribal or dalit.

World Bank's Doing Business 2016 Report

•India is ranked 132nd for ease of cross-border commerce, 157th for ease of paying taxes, and 130th overall out of 189 economies.

•India is ranked as the 155th country in the world for firm startup. Businesses in India must plan and submit 33 tax payments on average each year, which takes around 243 hours. In comparison, China only demands nine tax payments every year, while the US only contacts its people about tax payments 11 times per year on average. India's economy, which improved its rating for border proximity, had the highest improvement in corporate law among South Asian economies.[8]

**In the next section, we will see some challenges faced by startups.**

Startups confront a number of difficulties, such as a lack of funding, competition, and the requirement to be aware of current trends across numerous industries. The high failure rate of startups in India within the first 4-5 years is a result of these difficulties.[9]

### **Sensitivity and Culture**

- People are trained to hate failure in Indian culture. Encouragement is less widespread than opinions on failures.
- Entrepreneurship typically entails making errors, learning from them, and beginning over. People must start to concede loss and provide second chances.
- Mentoring/advice: According to the majority of founders of unsuccessful businesses, a key factor in their failure was a lack of sufficient mentoring and advice. Lack of good mentoring, particularly in terms of industry knowledge/support, is a significant contributor to the failures and slow growth of certain organizations.
- Market structure: The unorganized and fragmented nature of Indian marketplaces makes it difficult for startups to prosper.
- Customer behavior: Since customer behavior in India shifts every 30 to 50 km, developing a business or marketing plan for a startup's goods or services is extremely challenging. The majority of startups eventually stagnate and close down.
- Location: The location of a startup's business presents significant challenges. India is a country with many cultures and tastes, thus not every product would be accepted equally everywhere.
- Management of cash flow and burn rate-to-revenue gap: Effective financial management is crucial for startups to achieve short-term and long-term goals. [10] The burn rate-to-revenue gap, arising from

competition and the need for scaling, highlights the importance of external funding for survival and market development.

By connecting these points, we can understand the research objectives and methodology, the challenges faced by startups in India, government schemes and current opportunities to support startups, cultural and sensitivity factors influencing entrepreneurship, concerns with money and cash flow management, and challenges individuals encounter when starting a business. In the next section we will discuss the basic procedure of listing a startup in legal terms.

### **A startup company's capacity for registration**

1. It is necessary to establish a private limited corporation, partnership, or limited liability company.
2. The combined age and annual revenue of a corporation cannot exceed Rs. 100 crores.
3. The enterprise must be approved by the Department of Industrial Policy and Promotion.
4. The Indian Patent and Trademark Office's patron assurance is required for the corporation.
5. It requires a letter of recommendation from incubation.
6. The business must offer cutting-edge goods or services.

A registration with SEBI is required for all accelerators, incubation funds, angel funds, equity funds, and angel networks.

### **The procedures for submitting a startup scheme application are listed below.**

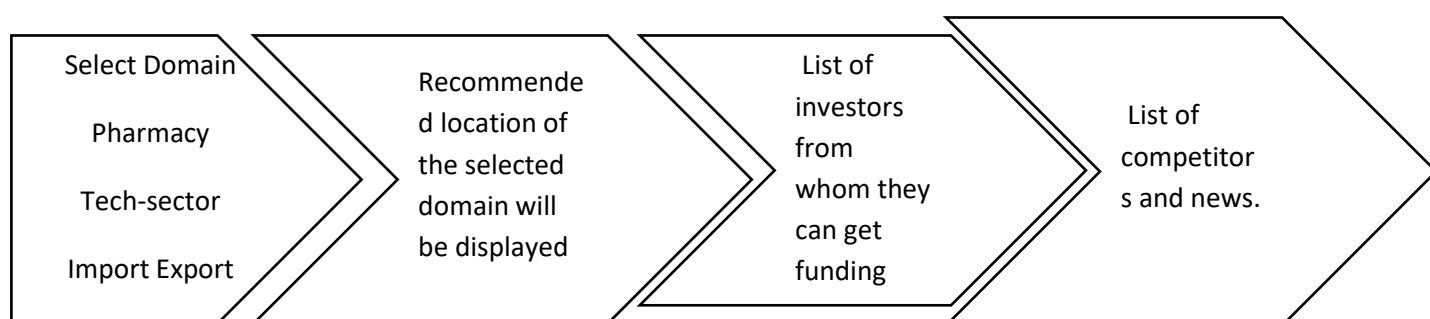
1. Visit <https://Startupindia.gov.in/registration.php> to log in to the Startup India website.
2. Make use of the login details
3. Type the registration or incorporation number.
4. Date of Registration or Incorporation
5. PAN number entry is optional.
6. Complete address
7. Enter the authorized representative's information.
8. Describe the Directors and Partners.
9. Upload the required paperwork and complete Self-Certification in the appropriate manner.
10. Submit the company's certificate of registration or incorporation.[11]

After going through surveys and research, we found that most of the start-ups can't find the right information when starting a company. For example - Information regarding Investor, competitors, perfect location and so on.

Designing a website that will help to gain the knowledge of competitors and current news of other companies. Also, it will guide you to start a startup.

Process:

**Figure 1. Procedure of how the website works**



- ◆ The home page contains the main domains of the startups.
- ◆ After clicking on any of the domains, the website will redirect to the next page.
- ◆ The website will first scan for locations for the selected domains and then it will display it.
- ◆ Also, it will display the list of investors from whom the entrepreneur can get funding, also

In the next section will discuss the technique of analyzing competitors.

### **Section - 3**

A competitive analysis may be performed at any moment and will be relevant. You may already have a product in the works that you want to market. Or you can have nothing more than a scribbled thought on the back of a serviette. In addition, competition analysis should be a continuing effort. [12]Mature organizations will frequently refresh their competition analysis to account for market developments and their competitors' activity.

On the surface, that may appear to be a laughably simple statement, and to some extent it is. People often expect that a company founder would have an instinctive awareness of the competitive environment when they come up with the idea. In practice, however, it is very easy to make a mistake in both directions:



assuming that a company is a competitor when it is not (this is often the case when a startup entrepreneur views a massive global company as a competitor), and simply being unaware of another startup that is their biggest and most challenging rival.

Asking three basic questions is the most effective technique to develop your list of competitors:

1) Who (The Customer):

Who are your target customers (and/or companies)? Any other firm with overlapping target client categories is likely a competition.

2) What (The Problem):

If your product, service, or solution answers the same need as another firm, you are rivals.

3) How (Product Category):

How you tackle the problem is also significant, and if your method is similar to that of another organization, it's a hint that your competitors.

Assume, for example, that you want to create a modest security managed services company. You're guaranteeing 24-hour protection for your client's IT infrastructure, as well as the accompanying consulting services.

Although you provide protection, Norton, McAfee, and other security firms are not your rivals. These businesses provide solutions that consumers and businesses may install themselves, using their own IT teams, to safeguard their surroundings.

Your rivals aren't the large consulting firms like Deloitte or EY. They solely provide security consulting to organizations. These businesses will then go out and find and manage solutions depending on the advice of their expert.

National and local managed service providers will be your true competition. What you offer your customers are IT abilities and the peace of mind that comes from not having to worry about their IT environment. Based on this, your nearest competition may not even be concerned with security!

### **How to Locate Competitors**

The most effective competition analysis approach will take into consideration startups and small firms that may not dominate the media cycle and may not even show on the first page of a Google search. You should utilize a larger range of research techniques to construct your list for comparison:

**Speak with potential consumers**

Talk to potential clients and observe what names come up when you discuss your own business concept. Make a note of those companies and investigate why they're being mentioned.

**Consider yourself a consumer.**

Put yourself in the position of your target consumers and attempt to solve the problem. After conducting study and restricting your selections to the (current) top picks, what solution (and companies) do you arrive at? At the conclusion of this, you should have a "top 10" list (at most), with a mix of direct and indirect competitors. Continuing with our example of a security managed services business, a direct competitor would be other security managed services providers in your region who will be pitching to the same customers as you.

Monitoring Competitors: Competitors' diverse and innovative ventures can surpass a startup, even with resources such as time, money, and skilled labor. Thus, it is crucial for startups to monitor their competitors to stay competitive in the market.[13]

**List of competitors.**

A sample static list of investors for Pharmacy sector are:

Aarin Capital, Indian Angel Network, Gen Next Ventures, Tata Capital, Peer Capital.

For Tech sector:

Blume Ventures, Accel, Indian Angel Network, Elevation Capital, AngelList, Bee Next.

For Automobile sector:

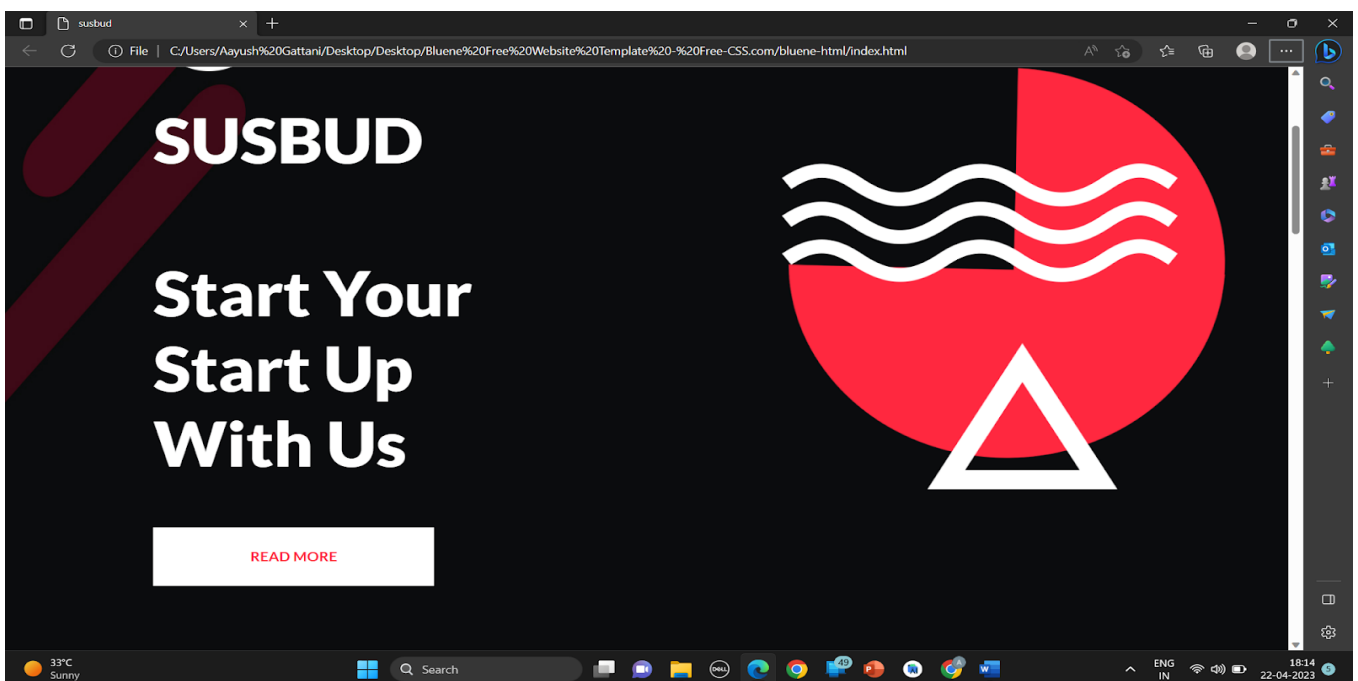
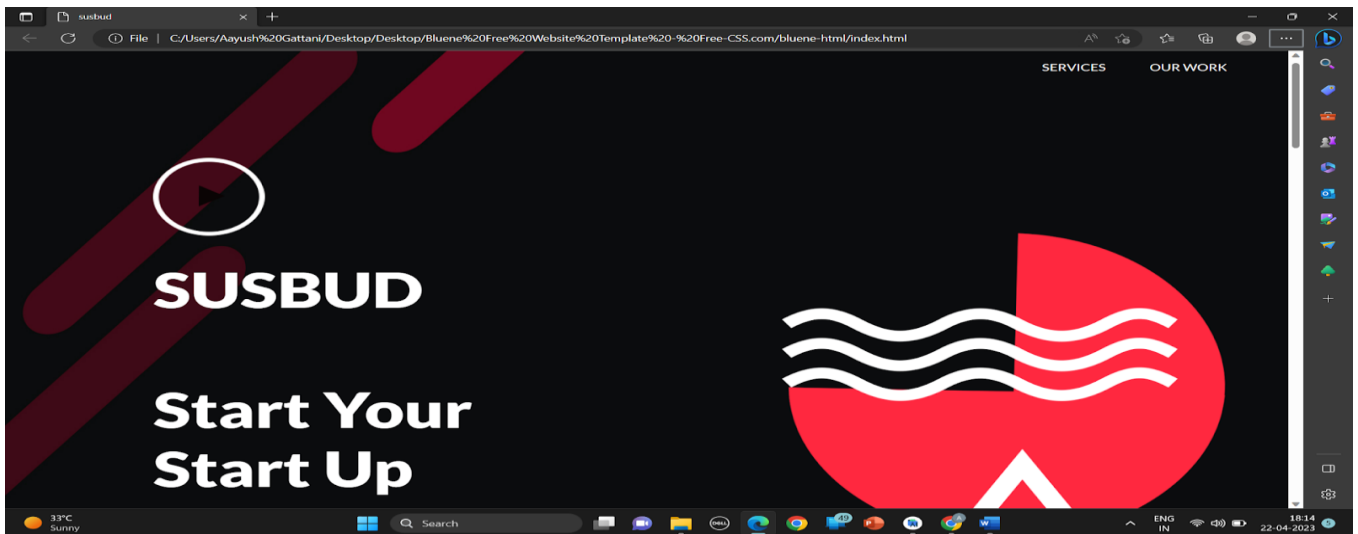
Venture Catalysts, Stride Ventures

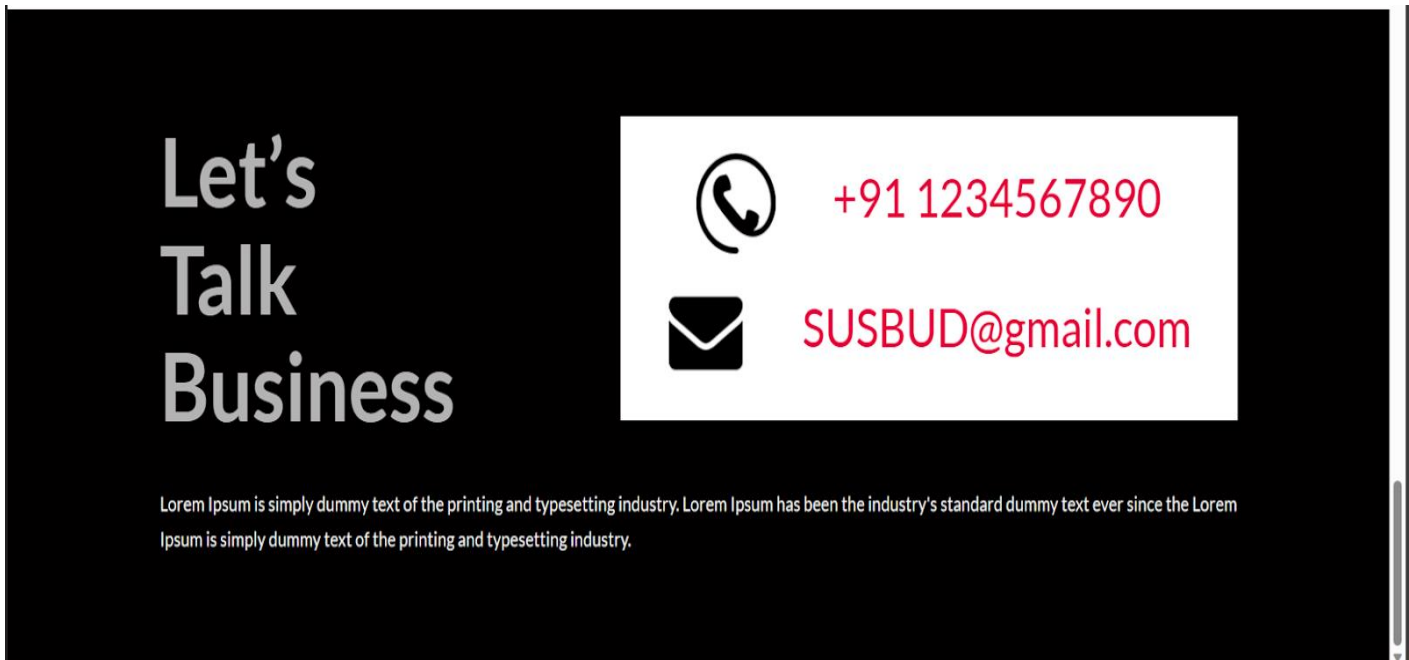
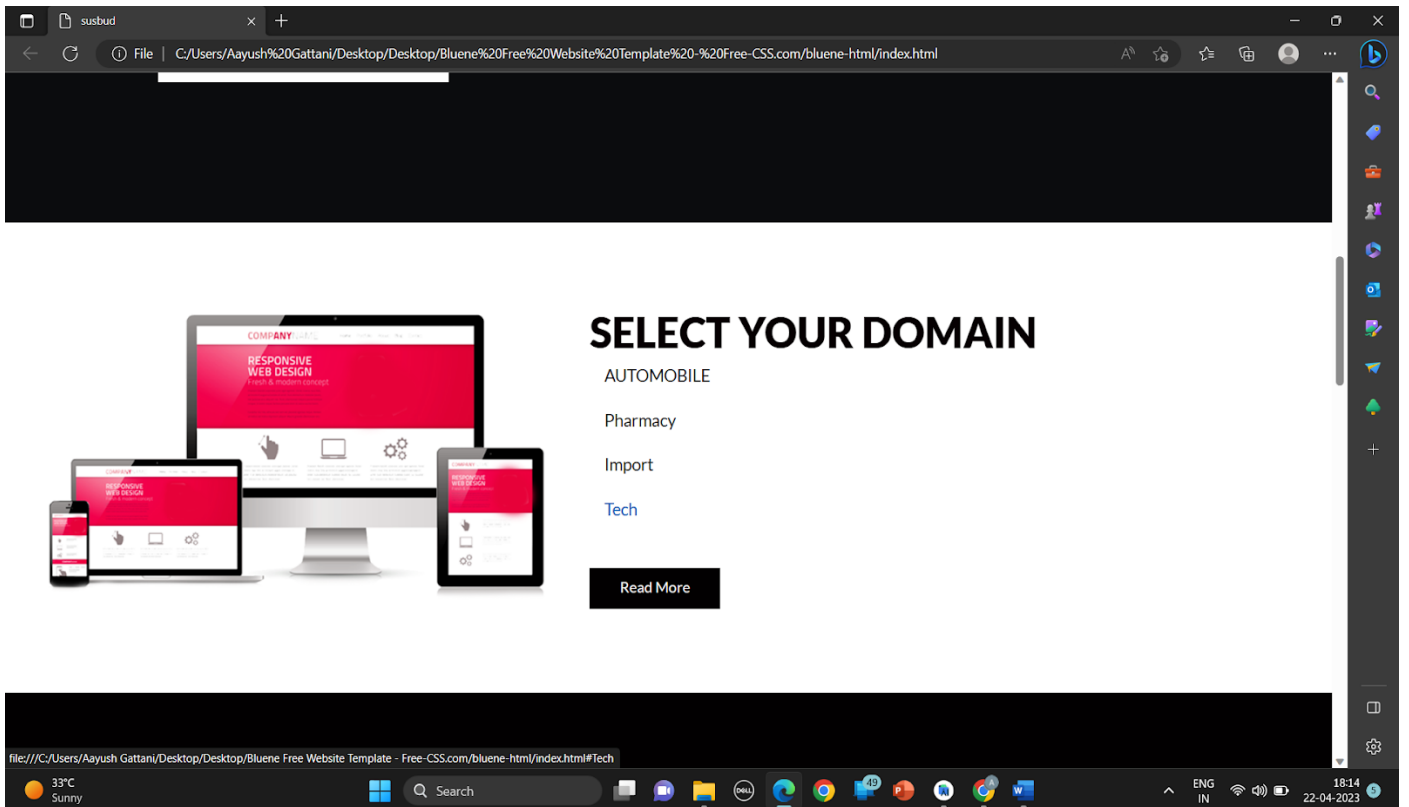
The competitors list is a bit hard to find because every day the valuation of different companies increases and decreases. As of today, Net meds, Prate, Pharmacy, 3HCare, Skincare are some top competitors in the pharmacy sector. Anther Electric, Ola Electric, Go Mechanic, Euler Motor, STROM motors are competitors in automobile industries. Rajaratnam Ventures, Gupta International, Phoenix Exports, Tirupati Impex, Flamingo Exports.



**Figure2.** Diagrammatic procedure DFD

## Overlook of the website





The next section will provide assistance for starting a construction startup.

**Concerns for Land purchase:** Whilst buying land for production, numerous factors ought to be taken into account:

**Zoning guidelines:** it's essential to verify the belonging's zoning designation and ensure it aligns with the supposed purpose, inclusive of residential, commercial, agricultural, or industrial use. local zoning laws and regulations ought to be thoroughly reviewed. **Land Use restrictions:** research any regulations or easements which can impact the property, along with conservation easements or ancient upkeep regulations. **Information about those boundaries is vital for a hit land use planning.** **Environmental issues:** verify potential environmental risks related to the land, which includes infection records, proximity to unsafe websites, and concerns like flood zones, wetlands, or included habitats. Environmental due diligence is important to keep away from destiny headaches.

**Get right of entry to and Utilities:** adequate right of entry to roads and utilities, inclusive of water, electricity, sewerage, and net connectivity, is essential for creation initiatives. If access is confined, it's far more important to evaluate the feasibility and charges of obtaining the important utilities and allowances. **Survey and obstacles:** conducting a survey to decide the land's actual obstacles is important to save you boundary disputes or encroachments. Confirming alignment with the property's felony description is essential. **Title seek:** performing a thorough identify seek helps identify any present liens, easements, or claims on the belongings. making sure a clean name is vital for prison ownership and forestall possession disputes. **Permits and Approvals:** decide the allowances and approvals required for the supposed land use, together with building lets in, environmental impact exams, or different regulatory requirements. Compliance with these policies is critical for a successful production undertaking.[14]

**Destiny improvement Plans:** studies any ability improvement plans or infrastructure projects that could affect the region. These records can affect the land's value and desirability. **Soil and Topography:** Assessing soil high-quality and topography is important, mainly if building systems or undertaking agricultural activities. knowledge of the land's characteristics facilitates deciding the feasibility and potential demanding situations of the construction assignment. **Marketplace evaluation:** evaluating the neighborhood real property market and evaluating the land's charge to market tendencies ensures a reasonable funding. Market place evaluation allows making informed decisions concerning land buy.

### **Documents And Lets In For Creation:**

While starting construction on a piece of land, several important documents and permits are commonly required. The specific necessities might also vary depending at the area and nearby regulations, however some common files and allows include:

Building permit: This essential file grants permission to begin construction and ensures compliance with local constructing codes and guidelines. Land Use allow/Zoning Approval: depending on the belonging's zoning designation, a land use permit or zoning approval can be necessary to make sure alignment with neighborhood rules. Environmental lets in: construction initiatives with capability environmental impacts might also require lets in which include environmental effect tests or allowances related to blanketed habitats or water sources. Application Connections: permits and approvals may be wanted for connecting utilities which include water, sewerage, electricity, gas, or telecommunications offerings. Architectural or Engineering Plans: particular plans are typically required to acquire important permits and approvals, which includes structural drawings, electric plans, and plumbing layouts. Website online Plan: a site plan illustrates the construction undertaking's format on the land, assisting compliance with setback necessities and different guidelines.

Contractor's License and insurance: relying on the jurisdiction, a valid contractor's license and construction liability insurance may be necessary. Production Contracts and Agreements: Legally binding contracts and agreements with contractors, subcontractors, providers, and other events are vital to define obligations, timelines, and dispute decision mechanisms.

### **Government Schemes**

Government schemes can play a critical function in supporting the construction enterprise and selling various goals inclusive of affordable housing, sustainable development, infrastructure improvements, and financial increase. Right here are some examples of government schemes which might be commonly implemented:

Low-cost Housing packages: Governments frequently offer economic incentives, subsidies, or tax breaks to inspire the development of low-cost housing for low-profits individuals and families. Those packages are intended to deal with housing shortages and enhance accessibility to housing alternatives. Infrastructure improvement offers: Governments may additionally provide grants or funding possibilities to support infrastructure improvement tasks, which includes road construction, public transportation structures, bridges, and utilities. These offer the intention to enhance transportation networks, sell financial interest, and enhance public offerings.

**Green constructing projects:** Many governments promote sustainable production practices through green constructing tasks. Those packages encourage the usage of environmentally friendly materials, power-efficient designs, and renewable energy sources in construction projects. They'll offer incentives, certifications, or offers to encourage builders and developers to adopt sustainable practices. **City Renewal and Regeneration initiatives:** Governments regularly put in force city renewal and regeneration tasks to revitalize blighted or underdeveloped areas. These initiatives involve infrastructure upgrades, redevelopment of industrial or residential residences, and the advent of public spaces to draw investment and promote community improvement. **Industrial development programs:** Governments may also introduce packages to aid business improvement and encourage the development of factories, production facilities, and business zones. Those initiatives aim to draw funding, create process opportunities, and stimulate financial increase in particular sectors or regions.

**Homebuyer assistance packages:** To facilitate homeownership, governments might also offer help packages inclusive of down payment help, sponsored loan quotes, or tax incentives for first-time homebuyers. Those packages assist make homeownership extra low cost and accessible, thereby stimulating the development of residential homes. **Tax Incentives and Rebates:** Governments can also provide tax incentives or rebates to developers, builders, and contractors worried about production tasks. Those incentives can consist of exemptions or reductions in property taxes, sales taxes on creation substances, or income tax credit for sure forms of projects or investments.

**Studies and improvement present:** Governments might also provide offers or funding possibilities for studies and development initiatives within the construction industry. Those presents can support modern production strategies, substances, and technologies, fostering technological improvements and enhancing industry practices. **Export advertising applications:** Governments regularly implement export promoting applications to assist the development industry's global competitiveness. These programs provide assistance and incentives to creation agencies looking to expand their operations and export their services or products to other international locations.

**Abilities training and team of workers development:** To address competency gaps and ensure professional personnel in the production industry, governments can also set up training packages, apprenticeship schemes, or partnerships with academic establishments. Those tasks aim to offer education and educational possibilities to individuals interested by pursuing careers in production, thereby supporting industry increase and excellence. **Land improvement and Acquisition programs:** Governments can also facilitate land



improvement and acquisition applications to make land available for construction tasks. Those packages can contain land rezoning, land auctions, or public-private partnerships to inspire production activity and address land availability challenges. Hazard coverage and guarantees: Governments may provide risk insurance or ensure creation projects, mainly for huge-scale infrastructure tasks. Those coverage or assure schemes can defend against unforeseen risks, along with creation delays, fee overruns, or venture failures, imparting financial safety and inspiring private funding in important infrastructure.

Rapid-track permitting and Approval approaches: Governments may additionally streamline allow and approval methods for production projects to lessen bureaucratic hurdles and expedite venture timelines. Rapid-song tactics purpose to enhance efficiency, attract investment, and stimulate construction activity. Special economic Zones: Governments regularly set up unique financial zones (SEZs) or loose trade zones that provide preferential policies and incentives to attract funding and stimulate monetary activities, along with production tasks. Those zones provide tax advantages, streamlined policies, and infrastructure help to encourage corporations to establish operations in certain regions. Understand that the provision and specific information of government schemes can range throughout extraordinary nations and areas. It is critical to analyze and consult with nearby authorities, enterprise experts, and expert advisors to apprehend the particular schemes and incentives to be had for your place and how they are able to guide your construction tasks.

It is crucial to consult with neighborhood constructing government, architects, construction professionals, and criminal experts to ensure compliance with all relevant regulations and necessities.

Moreover, governments provide numerous schemes to aid the development industry, which includes less costly housing applications, infrastructure development offers, inexperienced building tasks, city renewal and regeneration projects, industrial improvement packages, and homebuyer help programs. These schemes aim to foster monetary growth, promote sustainable practices, and provide housing solutions for distinctive segments of the populace.

In the next section will give an overview of starting a pharmaceutical startup.

### **Methodology used for starting a pharmaceutical startup:**

Interviews were conducted with experienced pharmacy startup owners to gather information about the requirements and challenges of starting a retail pharmacy business. The interview consisted of questions designed to cover various aspects of starting and running a pharmacy business. The owner provided detailed responses based on their experience and expertise in the field.

### **Results and Discussion**

**Training and Experience:** The pharmacy startup owner highlighted the importance of acquiring relevant training and experience in the pharmaceutical industry. They emphasized the need for a pharmacy degree or diploma and practical training to gain a strong understanding of medications, customer service, and regulatory compliance. **Location Selection:** Choosing the right location is crucial for a retail pharmacy business. The startup owner emphasized the importance of conducting thorough market research and identifying areas with a high demand for pharmaceutical services. Factors such as proximity to clinics, hospitals, and residential areas were considered when selecting the location. **Financial Investments:** Starting a pharmacy business requires significant financial investments.

**Drug Inventory:** Stocking essential drugs is crucial for meeting the immediate healthcare needs of the community and ensuring a steady flow of sales. The startup owner emphasized the importance of carrying commonly sought medications such as over-the-counter drugs, prescription medications for chronic conditions, and other essential healthcare products. The medications that meet the population's top healthcare demands are considered to be essential. They are chosen with consideration for their potential impact on public health, proof of their efficacy and safety, and comparative cost-effectiveness. In the framework of functioning healthcare systems, essential medications should always be accessible in sufficient quantities, in the proper dose forms, with guaranteed quality and adequate information, and at a cost that both the person and the community can pay. [17]

**Competition:** Market competition is an important factor to consider when starting a retail pharmacy business. The startup owner highlighted the need to monitor competitors, understand their pricing strategies, and differentiate the pharmacy by offering unique services, personalized customer care, and additional healthcare products. **Required Permissions and Regulations:** Obtaining the necessary licenses and complying with regulations are essential steps in starting a retail pharmacy business. The startup owner discussed the importance of obtaining pharmacy licenses, adhering to regulatory requirements for drug storage and handling, maintaining proper documentation, and ensuring compliance with privacy and security

regulations. **Staffing and Hiring Practices:** Hiring qualified and knowledgeable staff is crucial for providing high-quality pharmaceutical services. The startup owner emphasized the importance of hiring individuals with pharmacy degrees or diplomas, as well as training them in customer service, medication management, and regulatory compliance. Creating a skilled and dedicated team contributes to the success of the pharmacy business.

**Marketing Strategies:** The startup owner discussed various marketing strategies that can be employed to promote the pharmacy business. These include distributing flyers and brochures to nearby clinics, hospitals, and healthcare providers, offering promotional discounts and loyalty programs, leveraging digital marketing channels, and building relationships with local doctors and healthcare professionals. A comprehensive marketing plan helps increase visibility and attract a steady flow of customers.[15]

**Technological Measures:** The integration of technology can enhance the efficiency and effectiveness of pharmacy operations. The startup owner highlighted the importance of implementing technological measures such as a computerized inventory management system, point-of-sale software, and barcode scanning systems. These tools help streamline processes, improve accuracy in medication dispensing, track inventory levels, and generate reports for informed decision-making.

**Profit Margins and Sustainability:** The pharmaceutical industry's profit margin varies from company to company. We cannot just analyze from the outside and estimate the margin of any firm. In order to determine the margin in the pharmaceutical industry, we must be very involved with corporate business strategy. Pharmacies, stockiest, Carrying and Forwarding Agents (CFA), and other businesses have different profit margins depending on a variety of variables, including branded vs generic medications, brand value of pharmaceuticals, over-the-counter products, corporate standing, and ethical versus unethical behavior. [18]

**Rules and Regulations given by PDCA:** The Pune District Chemist Association (PDCA) can be included as an important organization that provides guidelines, rules, and regulations specific to the pharmacies in the Pune district. The PDCA plays a significant role in ensuring compliance with regulatory requirements, maintaining quality standards, and promoting ethical practices within the pharmacy industry in that region. Pharmacies operating in the Pune district would need to adhere to the guidelines set forth by the PDCA, along with other regulatory bodies such as the Food and Drug Administration (FDA). These guidelines may encompass various aspects, including proper storage and handling of medications, record-keeping, patient privacy and security, and other operational procedures.

Technological Measures: PDCA and Pharma rack Apian addition, pharmacy owners recommended utilizing the Pharma rack app, a technology solution designed specifically for the pharmacy industry. This app enables retail pharmacy owners to place orders directly with wholesale pharmacy owners or distributors, facilitating seamless procurement of medications. The app also provides features like real-time inventory tracking, automated invoicing, and analytics for informed decision-making. Incorporating such technological tools can streamline supply chain management and improve overall operational efficiency.

**Conclusion:** with the help of website designed for start-up's anyone who wants to start a startup or anyone who wants to make their businesses more sustainable, they can use this open source website. Understanding the requirements and challenges faced by startups in various industries, such as pharmaceuticals, construction, and retail pharmacy, is crucial for aspiring entrepreneurs. By adopting sustainable practices and leveraging technologies like web applications, startups can enhance their operational efficiency, reduce their environmental impact, and achieve long-term sustainability goals.

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## **“ESG Practices at Global Level and Its Impact on Investment and Behavioral Finance”**

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### **Abstract**

ESG is the acronym for environmental, social and governance. Three broad areas of consideration for investors. ESG is a company's performance and risk exposure based on its environmental impact, social responsibility and how it is governed. Although the term ESG is sometimes used as the same thing as sustainability or corporate social responsibility there are a number of differences. The first difference is that ESG ties into financial decision making based on relevant environmental, social, and governance metrics and performance. ESG efforts focus on short, medium and long-term performance and value creation while addressing material, environmental, social and governance risks. On the other hand, CSR and sustainability initiatives are typically voluntary and may focus on environmental leadership and corporate giving and volunteering initiatives without necessarily integrating these into business value creation and risk management. After that is that ESG goes beyond initiatives and programs into a strategy that is ideally integrated into a broader corporate strategy to address stakeholder demands primarily from investors and regulators such as climate related disclosure mandates. A research is made here to link the relation between ESG and behavioral finance through a primary research.

**Keywords-** Behavioral finance, sustainability, CSR, corporate strategy

## **Introduction**

The need for protection and conservation of environment and sustainable use of natural resources is reflected in the constitutional framework of India and also in the international commitments of India. The Constitution under Part IVA (Art 51A-Fundamental Duties) casts a duty on every citizen of India to protect and improve the natural environment including forests, lakes, rivers and wildlife, and to have compassion for living creatures. Further, the Constitution of India under Part IV (Art 48A-Directive Principles of State Policies) stipulates that the State shall endeavor to protect and improve the environment and to safeguard the forests and wildlife of the country.

### **3 dimensional aspects**

- Environmental aspect: Data is reported on climate change, greenhouse gas emissions, biodiversity loss, deforestation, pollution, energy efficiency and water management.
- Social aspect: Data is reported on employee safety and health, working conditions, diversity, equity, and inclusion, conflicts and humanitarian crises and is relevant in risk and return assessments directly through results in enhancing (or destroying) customer satisfaction and employee engagement.
- Governance aspect: Data is reported on corporate governance such as preventing bribery, corruption, diversity of Board of Directors, executive compensation, cybersecurity and privacy practices, management structure, executive pay, diversity in leadership, manner in which the leadership responds to and interacts with shareholders, audits, internal controls, and shareholder rights.

These important environment legislations have been briefly explained in the succeeding paragraphs.

- **Laws affecting Environmental protection**

#### **The National Green Tribunal Act, 2010**

The National Green Tribunal Act, 2010 (No. 19 of 2010) (NGT Act) has been enacted with the objectives to provide for establishment of a National Green Tribunal (NGT) for the effective and expeditious disposal of cases relating to environment protection and conservation of forests.

#### **The Air (Prevention and Control of Pollution) Act, 1981**



The Air (Prevention and Control of Pollution) Act, 1981 (the "Air Act") is an act to provide for the prevention, control and abatement of air pollution and for the establishment of Boards at the Central and State levels with a view to carrying out the aforesaid purposes.

### **The Water (Prevention and Control of Pollution) Act, 1974**

The Water Prevention and Control of Pollution Act, 1974 (the "Water Act") has been enacted to provide for the prevention and control of water pollution and to maintain or restore wholesomeness of water in the country. It further provides for the establishment of Boards for the prevention and control of water pollution with a view to carry out the aforesaid purposes. The Water Act prohibits the discharge of pollutants into water bodies beyond a given standard, and lays down penalties for non-compliance.

### **The Environment Protection Act, 1986**

The Environment Protection Act, 1986 (the "Environment Act") provides for the protection and improvement of environment. The Environment Protection Act establishes the framework for studying, planning and implementing long-term requirements of environmental safety and laying down a system of speedy and adequate response to situations threatening the environment.

### ***Evolution of ESG in India***

ESG reporting in India commenced in 2009 with the Ministry of Corporate Affairs (MCA) issuing the Voluntary Guidelines on Corporate Social Responsibility. Ever since the reporting framework has come a long way with the introduction of Business Responsibility Reporting ("**BRR**"), Corporate Social Responsibility (CSR), National Guidelines on Responsible Business Conduct (NGRBC) and the newly introduced Business Responsibility and Sustainability Report (BRSR) (*introduced through a SEBI circular dated 10 May 2021, discussed below*).

Many of them are considering with corporate governance also. The sustainability should be maintained with reference to best practices as ESG is to be with coordination of company's CSR. Even some special provisions like coastal regulations and all are also the part of ESG followings are few success cases

Time lines of events conducted by ESG at Global levels

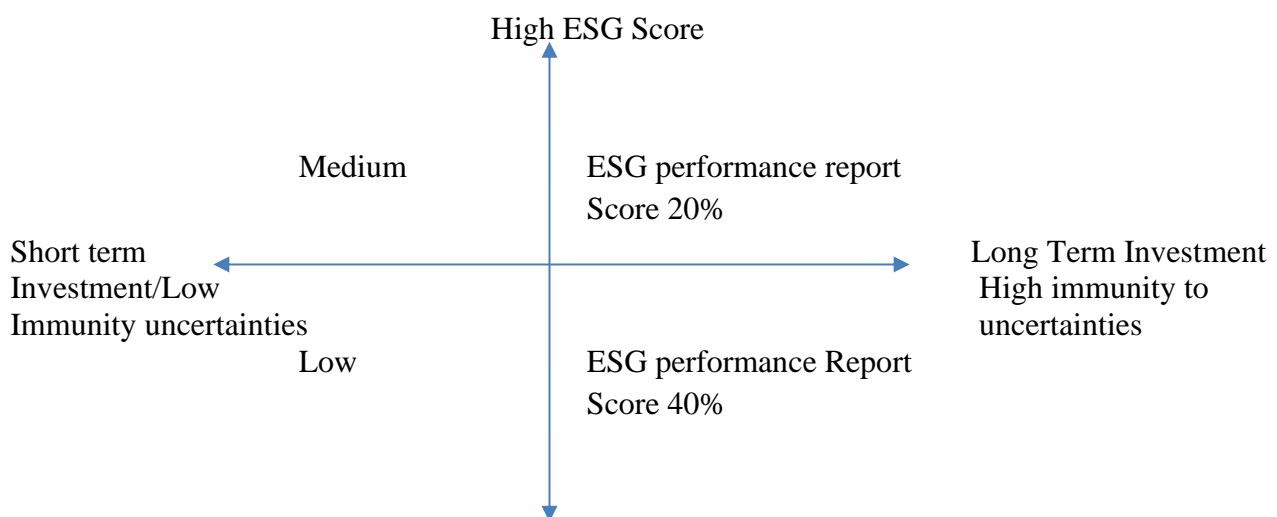
1. 1992, UNFCCC/Earth Summit
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4. 2015 Paris Agreement
5. 2021 UNFCCC COP26

## ESG PRACTICES IN CORPORATES-Indian as well global level

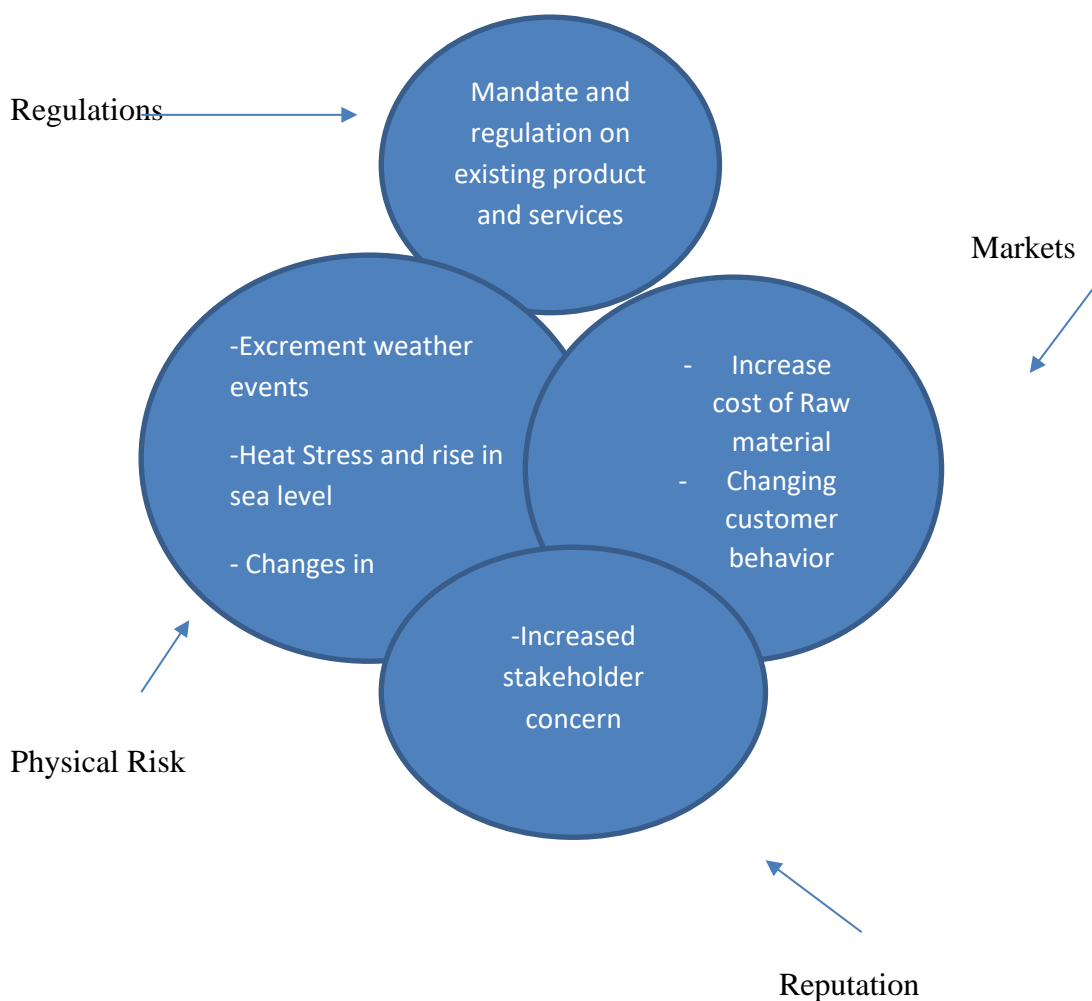
**From last few years, An attempt is made by several companies to show social responsibility gesture as well ESG practices.**

%

Investor belief have been shown in below mentioned ESG chart



## ESG Risk at Corporate level



All Risk are interconnected and mutually affect business and environment

## Increase in Investment towards ESG at Global Level

Investor has realized the vitality of of ESG

Majority of the company after pandemic making noise about ESG. ESG has become casual term for social investing. Socially responsive investing, impact investing

As per survey of EY, ESG investing increased to 72% in 2020 from 32% in 2018. Sustainable investing has begun after 2020. Socially responsible investing, impact investing.

According to morning star report around \$ 45.60 billion (Q1 2020 Total) went into global sustainable fund flow from which contributory countries are Europe, ( \$ 33.10 billion) , USA (\$ 10.40 billion) , Asia (\$ 1

billion) , Canada (\$ 770 million) , Australia/New Zealand (\$ 320 million) ( **Note** figures rounded of as of march 2020, Sources : Morning star)

According to MSCI Morgan Stanley report (institute for sustainable investing) interest in sustainable investing (among general population of investors jumped to 85% in the year 2019 from 71% in the year 2015.

- **A case of Volkswagen scandal and analytical perspective**

### **What is Volkswagen accused of?**

It's been dubbed the "diesel dupe". In September, the Environmental Protection Agency (EPA) found that many VW cars being sold in America had a "defeat device" - or software - in diesel engines that could detect when they were being tested, changing the performance accordingly to improve results. The German car giant has since admitted cheating emissions tests in the US. The device related facts were caught by US regulators' 'California regulatory.

What was the case history?

It was a major impact on the brand image across the world. Followings were the effect.

- Direct and indirect disruption for the stakeholders.
- Reputation loss
- Emotional and utilitarian benefits of behavioral finance were at stake.
- In this, 12 to 13 billion dollars, people suffered.
- After this scandal, Audi, porches, and other companies were also suffered.
- The major loss was to investors, in numeric it was 18 dollars financial loss.

Types of various losses

1. Dealers' trust
2. Customers' trust and emotional connect
3. Investor's wealth in market crash.

### **Analysis and what would have been better instead of the device.**

- As per the business model of the automobile sector, company would have gone for constant Research and development, in the product for quality assurance.

- The co. can think to minimize carbon emission instead of committing scandals.
- Quality standards improvement leads to increase in profit as well brand image and goodwill.
- Organization can increase ESG practices by R and D.
- Here both stakeholders were affected, internal and external.
- After all instead of gaining profit in short run, company could have carried long term vision with minimizing profits at early stages and earning robust goodwill in long run.
- The above case explains about the real time retail mix.
- CSR practice by Hindustan Unilever limited

Project Shakti enables women in villages across India to nurture an entrepreneurial mindset and become financially independent.

Under this program, women micro-entrepreneurs called Shakti Amass are trained on the basic tenets of distribution and acquainted with HUL brands. **Linkage of ESG with Behavioral Finance**

Behavioral Finance is study on psychology of the behavior of investors. It focuses on the fact that investor are not always rational, have limits to their self-control, and influenced by their own biases.

### **Benefit of Behavioral Finance**

We will put two benefits over here. First one is emotional benefit and second one is utilitarian benefit. Emotional benefit means in behavioral finance refers to the way something makes you feel internally while utilitarian benefit refers to what something can do you for you.

### **Interlinkage of ESG investing and behavioral Finance**

What ESG historically meant to investors?

In the early 21<sup>st</sup> century, the common belief was that socially responsible investing would eat companies profit and competitive edge.

Therefore, ESG investing was an emotional benefit for those choosing to invest into socially and environmental responsible way.

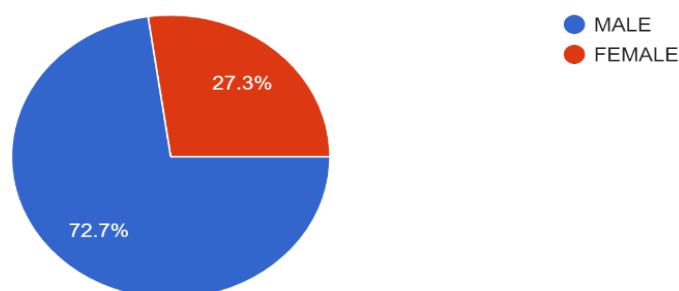
## What ESG Means To Investor Today

ESG no longer viewed as financial liability. Investor now view it as opportunity to identify potential risk and avoid disaster before they happen. ESG investing is now both emotional and utilitarian investing. CEO thinks that it is not only emotional benefit anymore. Its now provide utilitarian benefit that all rational investor are seeking as well.

- **Application of Behavioral Finance**

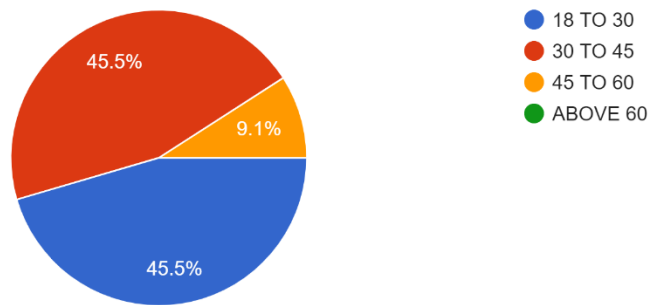
As dependence on conventional fuels and raw material has decreased it improves business margin and investor gets confidence that business disruption is minimized. Here investor behavioral finance benefits are both utilitarian and emotional. As working on the up liftmen of women, it is one of the emotional benefits created by organization. Further, women get utilitarian benefit once they start getting returns of their efforts. In this research, a survey was conducted of 100 selected investors comprising young and middle age group. A s per their opinion a company practicing for better ESG is trustworthy and investment is worth in long run. here is the analysis showcasing their opinions.

GENDER  
11 responses



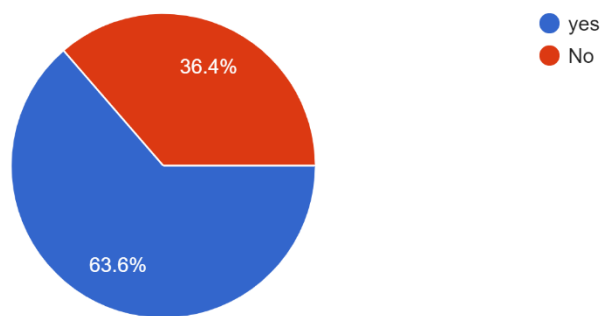
## AGE GROUPS

11 responses



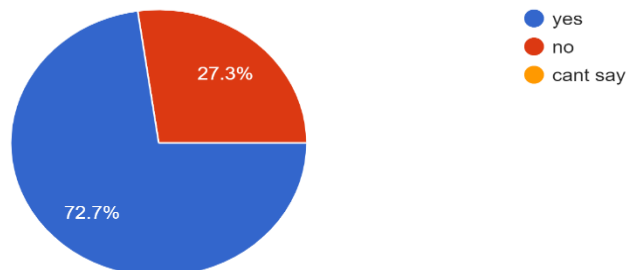
Are ESG issues consider as distinct financial risk opportunities in addition to traditional financial analysis?.

11 responses



will esg practices will increase reputation of a company among investors' community?

11 responses



## Conclusion

Here we learn that ESG score should always be considered while making investment decision. It helps to fulfil emotional desire to be a good person while increasing livelihood of avoiding financial disaster and stock crashes. It shows from behavioral finance view that how it is benefited for investment community. this paper showcases an attempt to interlink the mutual benefit of behavioral finance and ESG practice and its growth-oriented impact on stakeholders at large. However, opinion of long-time investors say that ESG practices enhances company's reputation as well trustworthiness so investor's sentiments and behavior becomes positive towards this type of company. The result says that ESG practiced and behavioral finance are connected phenomena.

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# **Sustainable Initiatives during Economic Crisis: Insights from Multinational Enterprises in Sri Lanka**

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## **Abstract**

Since the introduction of the word ‘sustainability’ to the business world, numerous organizations have incorporated its principles into their goals (Bansal, 2005; Hoffman, 1999). These organizations which focus on sustainability include Multi-national Enterprises (MNEs) which play a major role in the International Business environment. Sustainability among organizations mainly focuses on balancing the economic, social and ecological aspects of its operations (Elkington, 1998). The need for sustainability can either be driven by external stakeholders (eg: Katsinas & Vafeas, 2006) or even internal drivers (Aragon-Carrera & Sharma, 2003). Internal drivers of sustainability may include managers’ attitudes (Thomas & Lama, 2012), and resource capabilities (Pergo & Kolk, 2012), while external drivers may include, consumer demands, national culture, regulatory factors, etc. However, it is important to note that many organizations, including MNEs are subjected to continuous changes in the external environment, such as natural disasters, pandemics, economic crises, etc. Under such circumstances, especially during an economic crisis, MNE attitudes and approaches toward sustainability might change due to financial constraints and threats to survival (Cassey et al., 2021; Mac Williams & Siegel, 2001). For instance, in 2022, the Sri Lankan economy faced a crisis due to a currency crisis and unsustainable debts of successive governments leading to the government being unable to pay for essential food items, coal for power generation, fuel for transportation, imposition of import restrictions, etc. These actions are likely to have a significant impact on the operations and decisions of every organization in Sri Lanka including MNEs. Hence this study aims to explore how the economic crisis is affecting the sustainability decisions of MNEs. This study adopted a qualitative methodology based on a mini case study method focusing on selected MNEs in Sri Lanka. The neo-institutional theory (DiMaggio & Powell, 1983) was used as the guiding theory when collecting data through in-depth interviews. It was

found that although the economic crisis has a significant effect on MNEs, they seem to have continued with implementing sustainability initiatives mainly due to normative and mimetic isomorphism pressures.

**Keywords:** Sustainable practices of MNEs; Economic crisis; Neo-institutional theory; International Business

## 1. Background and Research Problem

The study of Multi-National Enterprises (MNEs) can be considered a prominent area in International Business (IB) literature (Pananond, 2007). From the era of colonization initiated by Western imperial nation-states and the industrial revolution in the 19<sup>th</sup> century to the 21<sup>st</sup> century, MNEs have been playing a significant role in actively contributing to the global economy. They are more likely to have geographically dispersed operations (Blocklist et al., 2023), which makes them exposed to a wide variety of global stakeholders. Accordingly, it is important to develop and maintain legitimacy in the eyes of these global stakeholders (Park, 2017) and this might get even more complicated when the number of host countries and institutional distance between home and host country increases (Kostova & Zaheer, 1999). There are various strategies available for MNEs to ensure legitimacy, they include Corporate Social Responsibility (CSR), training employees, and sustainability initiatives. Ensuring legitimacy through sustainability initiatives are likely to be influenced by strong institutional factors (Boiral & Gendron, 2011; Kolk & Perego, 2010; Simonetta et al., 2009). Most MNEs are known for their sustainable initiatives.

Nevertheless, despite all these comprehensive programs to ensure sustainability in their operations, macroeconomic shocks (for example, economic crises, pandemics, technological and natural disasters etc.) may always lead MNEs to revisit their decisions (Wenzel et al., 2020). Since, continuing such initiatives might threaten the survival and growth of these MNEs (Blocklist et al., 2023). For instance, in 2022, Sri Lanka experienced a combined Balance of Payment (BOP) and sovereign debt crisis which made the Sri Lankan government being unable to pay for essential food items, medicine and healthcare equipment imports, coal for power generation, fuel for transportation, imposition of import restrictions, etc. These actions are likely to have a significant impact on the operations and decisions of every organization in Sri Lanka including MNEs. Hence this study aims to explore how the economic crisis is affecting the sustainability decisions of MNEs.

## 2.0 Literature Review

### 2.1 Sustainability Initiatives of MNEs

Sustainability performance mainly focuses on policies, decisions and actions of organizations with regard to economic, social and environmental aspects (Accountability Institute of Social and Ethical, 2003). Sustainability itself can be considered an Abstract concept (Ehrenfeld, 2008; Schmallegger et al., 2013). However, the areas of focus under sustainability include economic, social and environmental (ESG) issues (Cuba's-Diaz & Martinez, 2018; Ehrenfeld, 2008), sometimes known as the Triple Bottom Line (Park, 2018). In paying attention to MNEs, managers of MNEs in foreign subsidiaries face a host country environment that is different from their home countries (Park, 2018). Their tasks tend to be more complex than domestic firms given their global and competitive nature (Smith & Lewis, 2011). Multinational Enterprises can utilize sustainability initiatives to mitigate Liabilities of Foreignness (Marino et al., 2017). The United Nations has established an agenda for sustainability through the Sustainable Development Goals (SDGs) which comprise 17 SDGs, 169 targets and 232 indicators that can be adopted by institutions. These SDGs represent the categorization of grand challenges towards the entire humanity that might emerge in forthcoming decades and they are likely to have a significant impact on International Businesses (Buckley et al., 2017; Montiel et al., 2021). MNEs can be considered significant contributors to executing SDGS (Kolk et al., 2017; Lieu & Rao-Nicholson, 2021). These SDGs mainly comprise of overarching People pillar (SDG 1-5) that focuses on the health and well-being of the global population by minimizing the impact of poverty, economic hardships, and health issues (Nielsen et al., 2023). Next, the prosperity pillar (SDG 7-11) encourages the achievement of prosperous and fulfilling lives through economic, social and technological progress while the planet pillar (SDG 6 and 12-15) focuses on ensuring the planet is protected from degradation through sustainable production and consumption as well as paying attention to climate change and its impacts (Nielsen et al., 2023). Then the peace pillar (SDG 16) pays attention to fostering a peaceful, just and inclusive society free from violence and fear and the final overarching pillar of partnership (SDG 17) focuses on identifying means required to implement SDGs through the active participation and contribution from global stakeholders (Nielsen et al., 2023). The adoption of such SDGs by MNEs can lead to numerous benefits such as the development of a comprehensive global social contract, which can be used by MNEs to identify various challenges associated with achieving sustainable outcomes as well as SDGs can be considered relevant, critical and actionable goals for managers of MNCs (Cuervo-Cazura et al., 2022).

## 2.1 Neo-institutional theory and MNEs

With the rapid internationalization of MNEs throughout the International Business environment, the institutional theory has gained prominence in the field of International Business (IB) (Sahin & Mert, 2022). There are two strands of the institutional theory, firstly new institutional economics, which is the economics perspective of the institutional theory, and the neo-institutional theory which is more of a sociological perspective of the institutional theory (Sahin & Mert, 2022). “Neo-institutionalism analyses how shared norms and values cause institutional pressures to motivate a firm’s internationalization strategy” (Sahin & Mert, 2022, p. 3). It mainly focusses on the achievement of isomorphism in the organizational industry (DiMaggio & Powell, 1983; Sahin & Mert, 2022). Isomorphism simply refers to the achievement of similar status with other competing organizations in the field (DiMaggio & Powell, 1983). According to this theory, it is important for organizations to achieve legitimacy by gaining support from the stakeholders in which it operates (Fan & Wang, 2010; Martinez-Ferrero & Garcia-Sanchez, 2016).

Accordingly, an organization faces mainly three institutional pressures to achieve isomorphism and thereby gain legitimacy. The first institutional pressure would be coercive isomorphism related to the legal environment, where the organization is expected to comply with the laws and regulations in the business environment to be similar to other competing organizations (DiMaggio & Powell, 1983). Next, organizations face normative isomorphic pressures to comply with moral and cultural values within the organizational environment, especially through the adoption of strategies that are promoted by professionals or professional bodies (Beddewela & Fairbrass, 2015). Thirdly and finally, organizations are likely to face mimetic isomorphism pressures that demand the imitation of competitors in the organizational environment (DiMaggio & Powell, 1983). It is possible to identify such imitations by organizations in situations of uncertainty (Martinez-Ferrero & Garcia-Sanchez, 2016). The growth of MNEs in the International Business environment enhances the significance of the neo-institutional theory since MNEs tend to operate in a variety of host countries with diverse laws, norms related to professional, numerous competitors in host countries as well as different socio-cultural practices (Martinez-Ferrero & Garcia-Sanchez, 2016).

## 2.3 Sustainability initiatives of MNEs under economic crises

There has been a profound impact of disasters on people and the environment (Nielsen et al., 2023), over the past five decades and this rate has increased by three times over this time period (Al Adam et al., 2018; Thomas & Lopez, 2015). Disasters simply comprise both natural disasters (such as floods, earthquakes, hurricanes, wildfires, pandemics, tsunamis, etc.) as well as man-made disasters (such as terrorist attacks,

war, economic crises, poverty, mass migration, etc.) (Nielsen et al., 2023). However, it appears that the interest in the impact of disasters on International Businesses in IB literature seemed to be quite limited except for a few studies such as Bader and Berg (2013); Bader and Schuster (2015); Dai et al. (2013); Oh and Oetzel (2011), Oh and Oetzel (2022), etc.

In paying attention to the context of Sri Lanka, the country faced an economic crisis in 2021 and the effects seem to still linger (despite gradual recovery) in the year 2023. The Sri Lankan economy has been facing one of the worst economic crises in the post-independence era. A high year-on-year inflation rate of 54.6% caused a rise in input costs, a sharp depreciation of the Sri Lankan Rupee by 33%, in the first quarter of 2022 (Central Bank of Sri Lanka, 2022), public debt that has risen to unsustainable levels, low international reserves leading to import restrictions, and persistently large financing needs for increasingly inadequate fuel, Liquefied Petroleum Gas (LP), furnace oil for electricity generation, medicine, and essential food items, (International Monetary Fund, 2022). MNEs are likely to be significantly affected by economic crises due to their international presence in different nations (Puhr & Mullner, 2023). This exposure would intensify their Liabilities of Foreignness (Mithani, 2017; Zaheer, 1995) for being foreign in their respective host countries. Nevertheless, Nooderhaven and Harzing (2009) mention that managers of MNEs tend to react conservatively toward financial crises.

In times of crisis, organizations including MNEs are likely to give priority to economic activities (Carroll, 1991) which might result in the decline of activities due to the supplementary costs associated with them (Mac Williams & Siegel, 2001). However, Fernandez and Suoto (2009), as well as Ducassy (2013), have highlighted that times of crisis can be an opportunity for organizations to enhance their reputation from stakeholders, through various initiatives related to sustainability and Corporate Social Responsibility (CSR). Moreover, Cassey et al. (2021) have found that the 2008 economic crisis in the United States did not have a significant impact on the CSR initiatives of MNEs. Accordingly, given the dearth of studies especially in the context of South Asia related to the impact of the economic crisis on International Businesses and the puzzling findings of already existing few studies, the current study attempts to explore how the economic crisis is affecting the sustainability decisions of MNEs.

### **3.0 Methodology**

The current study has adopted a qualitative methodology under an interpretivist epistemology and subjective ontology (Saunders et al., 2009). Data was collected based on a mini case study approach through in-depth online interviews of three managers of Multi-National Enterprises in Sri Lanka. Case A is a Swiss-based

Food and Fast-Moving Consumer Goods (FMCG) MNE, Case B is an Anglo-Dutch MNE in the FMCG industry, and Case C is a US-based sail-making MNE. The participants were decided based on the relevance of their organizational activities to sustainability, the willingness to share rich in-depth insights as well as the time constraints faced by the researcher. To ensure anonymity participants are named A, B, and C respectively. Participant A is the brand manager of Case A. Then participant B is the Head of the shipping (imports and exports) division of Case B. The final participant C is the operations manager of Case C. All three participants were interviewed through the Zoom online platform with an average time of 30 minutes. The questions asked were semi-structured in nature which would allow participants to freely narrate their experiences as managers of MNEs on the sustainability initiatives of MNEs in the context of the economic crisis. The data collected were analyzed based on the thematic analysis method suggested by Braun and Clark (2006).

## **4.0 Findings and Discussion**

The findings and the discussion are based upon the three themes derived from the neo-institutional theory (DiMaggio & Powell, 1983), which is the guiding theory of this study.

### **4.1 Coercive Isomorphism**

It was found that coercive isomorphism through rules and regulations seems to affect MNEs, especially through sustainability-related guidelines initiated by the government. For instance, participant A from case A highlighted the impact of the rule on *“color coding of products to indicate the sugar content in its food items”* which can be considered an important guideline adopted. Further, it was also mentioned that the parent company too had a significant influence that require its subsidiaries to comply with the overall sustainability guidelines of the group of companies. Moreover, participant B from case B described that the rule on restricting the use of ‘sachet’ packets introduced by the government had a significant financial impact on the organization since 80% of the market for sachet packets are rural customers which is a significant portion of case B’s market. Participant C on the other hand did not highlight any significant rules and regulations affecting case C. Nevertheless, it appears that most of these rules and regulations have been imposed on the MNEs before the emergence of the economic crisis (4-5 years back) and it seems that no recent government regulation related to sustainability forced MNEs to comply in the context of the economic crisis. This finding which highlights the taken-for-granted nature of coercive isomorphism despite the economic crisis can be supported based on the study by Martinez-Ferrero and Garcia-Sanchez (2016) who

have analyzed 696 international businesses to investigate how the country and industry-specific effects may affect the decision to assure sustainability reports by identifying institutional pressures.

#### **4.2 Normative Isomorphism**

Accordingly, in terms of professionalism/professional standards affecting sustainability initiatives by MNEs, it was found that all three cases follow some form of standard for maintaining sustainability even in the context of the economic crisis. This is despite the economic crisis causing *“budget cuts for several brands”* (case A), *“a decline in sales growth, forcing MNEs to cut costs on wastage”* (case B) as well as *“an increase in material costs, logistic costs”* (case C), case A continues to implement the *“people, planet and community guidelines for ensuring sustainability”*, while case B adopts a strategy of *“making sustainable living a commonplace”* and participant B even went to the extent of emphasizing that *“sustainable initiatives are not affected by the economic crisis because it is embedded to the strategy itself”*. Similarly, participant C mentioned that case C focus on *“marine environmental improvement, minimizing carbon footprint and ensuring engagement”* and *“almost no impact of the economic crisis on sustainability initiatives except for the implementation of the solar panel project due to the ongoing import restrictions in the country”*.

#### **4.3 Mimetic Isomorphism**

It was found that mimicking or imitation of competitive organizations with regard to sustainable initiatives in the context of the economic crisis seems to be limited except when participant C highlighted that *“sustainability seems to be marketed by competitors”*. Hence, these findings can be supported based on the study of Martinez-Ferrero and Garcia-Sanchez (2016) which highlighted the importance of normative pressures followed by mimetic pressures on sustainable reporting compared to coercive pressures. Further, this finding can also be supported by the study of Beddewela and Fairbrass (2015) which mainly focused on how MNEs in Sri Lanka seek legitimacy through CSR initiatives by adopting a multiple case study approach of MNEs operating in Sri Lanka.

### **5.0 Implications of The Study**

In terms of theoretical implications, the current study seems to extend studies related to the impact of man-made disasters on MNEs, for example, Bader and Berg (2013); Bader and Schuler (2015); Dai et al. (2013); Nielsen et al. (2023) Oh and Oetzel (2011) and Oh and Oetzel (2022) especially in the context of South Asia which appears to be scarce. Moreover, the current study seems to fill the gap between studies that have considered sustainability initiatives of MNEs in South Asia and MNE-related studies that have adopted the neo-institutional theory (DiMaggio & Powell, 1983) for example, Martinez-Ferrero and Garcia-Sanchez

(2016), Beddelwela and Fairbrass (2015). From a managerial perspective, managers of MNEs can be inspired by the findings of the current study with regard to the importance of continuing with sustainability initiatives despite economic turmoil in their respective host countries as well as identify the significant influence of normative and mimetic isomorphism when engaging in organizational operations.

## 6.0 Limitations and Avenues for Future Research

The current study seems to reflect a few limitations such as the lack of generalizability of the findings to different host country nations since these factors might be unique to Sri Lanka and related South Asian nations. Furthermore, only three participants have been interviewed in this mini case study which might limit the findings of the current study. Therefore, future researchers can adopt a study that is more longitudinal in nature with more participants to obtain a richer understanding of the given research problem.

## 7.0 Conclusion

The primary aim of this study was to find out how the economic crisis is affecting the sustainability decisions of MNEs. For this purpose, three cases (MNEs) have been selected to find answers to the primary research question. Data was collected through in-depth interviews to obtain a rich understanding of insights from managers of MNEs in various functional areas that have an awareness of sustainable initiatives of the organization. It was found that although the economic crisis in Sri Lanka has influenced the operations of the MNEs through a drop in sales volume, sales growth, import restrictions, increase in material costs, logistics costs etc., there has been no impact on sustainability-related initiatives of the MNEs. Moreover, it was also found that normative and mimetic isomorphism pressures are most influential in terms of affecting sustainability-related initiatives of the MNEs in the context of the economic crisis compared to coercive isomorphism pressures. In terms of implications, the study seems to extend studies related to the impact of man-made disasters on MNEs, sustainability initiatives of MNEs in South Asia, and MNE-related studies that have adopted the neo-institutional theory.

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## **“The Effect of Employment Opportunity Services towards the Control of Gender Discrimination in Shahsemene Town”**

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### **Abstract**

The study analyzed the consequence of employment opportunity services towards the control of gender discrimination in Shashemene Town. The study was guided by three objectives namely; to analyses the effect of employment opportunity services on gender discrimination at Shashemene Town council; to find out the challenges experienced due to gender discrimination on employment opportunities services at Shashemene Town and to suggest ways for preventing effects of gender discrimination at Shashemene Town. It was used data collected using a questionnaire interviews, and during data collection random sampling technique as well as purposive sampling. Both qualitative and quantitative were used to analyses data as a sample 65 respondents was used.

The study concludes that gender discrimination is a well-known phenomenon and it takes place in local governments and especially at district departments where people are favored above others in terms of availing job opportunities is concerned. In addition, that there are various reasons as to why there is gender discrimination in jobs at the districts such as; political affiliation, religious affiliation, nature of job, nepotism, corruption, vary in qualifications and vary in physical ability. Furthermore, that gender discrimination breeds challenges at the district local government such as; unfair distribution of jobs, under exploitation of talents, bad image in public and poor services.

Lastly, the study suggested the relationship between corruption and gender discrimination on employment opportunities at Shashemene Town and the effect of religion on employment opportunities at Shashemene Town as areas for further studies.

**Keywords:** Gender Discrimination, Corruption, Employment

## 1. Introduction

### Background of The Study

Gender discrimination, unequal access to resources and opportunities, violence, lack of basic services, women's trivial representation in politics and business, and the power imbalances that characterize personal relationships between men and women hamper the progress of not just women but of society at large. Because of this unequal treatment, women are still behind their partners and are still suffering and marginalizing from economic, social, political and other activities (Batliwal, 1994).

From the early 1970s, women's movements in a number of countries identified credit as a major constraint on women's ability to earn an income and became increasingly interested in the degree to which poverty-focused credit programs and credit cooperatives were actually being used by women. SEWA in India, for example, set up credit programs as part of a multi-pronged strategy for an organization of informal sector women workers. Since the 1970s, many women's organizations world-wide have included credit and savings, both as a way of increasing women's incomes and to bring women together to address wider gender issues.

Mayeux (1995) stated that women's access to credit was given particular emphasis at the first International Women's Conference in Mexico in 1975 as part of the emerging awareness of the importance of women's productive role both for national economies, and for women's rights. This led to the setting up of the Women's World Banking network and production of manuals for women's credit provision. Other women's organizations world-wide set up credit and savings components both as a way of increasing women's incomes and bringing women together to address wider gender issues. (ibid)

In the 1990s, a combination of evidence of high female repayment rates and the rising influence of gender lobbies within donor agencies and NGOs led to increasing emphasis on targeting women in micro-finance programs. The access to micro-finance services (credit, savings, insurance and pensions) is still highly unequal between men and women. Considerable advances were made in the 1990s in the design of NGO-managed programs and poverty-targeted banks to increase women's access to small loans and savings

facilities. But gradually attitudes towards women becoming somehow good with the introduction of modern education and technological advancement. In the mid of twentieth century, the attitudes and values towards women started to get promising attention especially after the second world war, i.e. the establishment of the United Nations. As part of UN, the United Nations Development Program (UNDP), started to introduce concrete tools for measuring gender discrimination through the Gender-related Development Index (GDI) and the Gender Empowerment Measure (GEM) (UNDP, 1995). Aleman and Susskind (2000) stated that the Beijing Platform for Action (PFA), where the document produced at the 1995 UN World Conference on Women held in Beijing was a big achievement in women's history. It was in this meeting that women's rights are human rights backed by the force of an international legal instrument. (Mayeux, 2005)

Basing on the above information, the study was therefore to study about the effect of employment opportunities services towards gender discrimination on in Shashemene Town Municipality taking a case study.

## **1.2 Statement of the Problem**

The government of Ethiopia has been actively involved in preventing gender discrimination in the workplace through enforcing of labor laws to protect workers at their places of work. The laws require no gender discrimination on the job but to provide all the people irrespective of their gender to take up positions in organizations. Since the fall of Degree regime, the current Ethiopian government is trying to address the multi dimension on gender discrimination problems taking different special considerations like the application of “affirmative action” and other policy that favored women. Similar to the government, NGOs and other civil societies, are also contributing in various activities that helps to solve the existing problems.

However, the government works much to prevent gender discrimination, there is still wide spread gender gap as far as employment is concerned in Shashemene Town Municipality. This is notably seen in the awarding of ministerial posts in Shashemene Town municipality. It is observed that men are at least more than two times than women in Shashemene Town Municipality. Similarly, Shashemene Town municipality is still faced with the gender gap in the employment sector for instance more than half of the staff at the district are men. Therefore, the study seeks to examine why gender discrimination has persisted amidst all efforts that are in place to promote impartial employment at both local and national levels while considering Shashemene Town Municipality in west Ars zone.

### 1.3 Purpose of the study

To analyses the effect of employment opportunity services towards the control of gender discrimination in Shashemene Town Municipality.

### 1.4 Objectives of the study

- i. To analyze the effect of employment opportunity services on gender discrimination at Shashemene Town municipality
- ii. To find out the challenges experienced due to gender discrimination on employment opportunities services at Shashemene Town municipality.
- iii. To suggest ways for preventing effects of gender discrimination at Shashemene Town Municipality.

## 2. Literature Review

Workplace gender discrimination comes in many different forms, but generally it means that an employee or a job applicant is treated differently or less favorably because of their sex, gender identity, or sexual orientation. Even though the words “sex” and “gender” have different meanings, laws against discrimination at work often use them interchangeably.

Sometimes workers experience discrimination because of their gender and something else, like their race or ethnicity. For example, a woman of color may experience discrimination in the workplace differently from a white female co-worker. She may be harassed, paid less, evaluated more harshly, or passed over for promotion because of the combination of her gender *and* her race.

### 2.1 The effect of employment opportunity services on gender discrimination

Erik et al., (2006) have conducted the research on whether women are discriminated through sticky floor or glass ceiling effects in Sweden. They have found through their research that women in Sweden suffer more from sticky floor effects than glass ceilings. Their study also showed that women with small children face a largest gender penalty in careers. Gender penalty is larger for younger and older women and less for middle aged women. There was no any empirical support in their study that women have lesser career opportunities in the private sector than in public sector, relative to men.

Susan et al (1998) have focused on the work place gender discrimination rational bias theory. According to this theory, decision makers may choose to discriminate if they believe that their superiors or others having power over their careers expect or prefer it. The findings of their research showed that businessmen



discriminated women and people at the top of the organization are most biased against women than people at the bottom.

Their study has also confirmed that management support discrimination, though those discriminations were less than the findings of earlier research, reflecting increasing equal opportunity. It was also confirmed through their research that the discrimination is more because of external pressures than from internal.

Habib (2000) has studied the effects of Brick Wall and Glass ceiling in public administration of Bangladesh. His analysis has shown that women are discriminated in civil services of Bangladesh from entry to the higher posts (Glass Ceiling). Social cultural factors are the principal stumbling blocks and build a wall for entry of woman into civil services. Their career path was hindered by the impediments of the systematic and attitudinal reasons. Government laws and regulations in this regard are proving ineffective. However, that discrimination was not for the women who came from upper class. This disparate treatment against women had implications for their morale, motivation and performance.

Uzma (2004) found out that identity is created through the society, environment and parents. It is a two-way process - how people view you and how you view yourself. Attitude of parents towards their children formulate their identity. Parents usually consider their daughters as weak, timid, and too vulnerable; they need to be protected by the male members of the society. Because of this reason females cannot suggest or protest. This is the first step of subjugation and suppression. According to her; even the educated females have the double identity – professional and private. Another finding of her research was that the income of the women is not considered as the main financial source for the family, but as supplementary to the income of their males. She also found that those results were not valid for the upper and advanced families, where complete freedom is given to their females.

## **2.2 The ways for preventing gender discrimination challenges.**

According to Gronau, Reuben, (1974), the following are the steps taken by employers to end gender discrimination; to prevent gender discrimination or sexual harassment from occurring in the workplace, more and more employers are adopting a zero-tolerance policy towards all acts of discrimination. This usually includes the creation of an official written policy against discrimination that is circulated to all employees, as well as education and training courses for all managers (and often for all employees). In addition, the companies have to show that they are serious about implementing and enforcing the new policy by creating disciplinary standards for violations of the policy.

Another step employer can take is to conduct a thorough investigation every time a claim of discrimination or harassment is lodged. If a company identifies a situation where it believes discrimination has occurred and the company is going to be held liable, it can ease the amount of punishment handed down if it conducts a thorough in-house investigation that culminates in appropriate action taken against the person who committed the discrimination, up to and including dismissal of that employee.

But, when managers are trained to recognize instances of sexual discrimination or harassment, they should be told one thing above all others to try to handle the complaint by themselves. Instead, they should always immediately notify the human resources department that an incidence of discrimination or harassment has been reported and needs to be investigated. If the training is also provided to all employees, primary efforts should be spent on teaching employees what is and is not considered to be appropriate behavior.

Resource allocation should include analysis of public revenues and expenditures from a gender and equity perspective. UN forth conference on women (1995). This means that all the budgeting implications for and impacts on women and girls compared to men and boys are considered. This does not mean producing a separate budget but rather analyzing and main streaming the budgetary process.

In conclusion; government should put in place policies, guidelines and other kinds of legislature to support and make the environment friendly for women, youth, and people with disabilities to actively participate in planning. This agrees with ECOSOC (1997), which states that the Government has emphasized a strategy for affirmative action. This is giving preferential treatment for addressing inequalities or imbalances in accessing resources, power opportunities. It is a commitment but of temporary nature to up lift the position of the vulnerable.

### **3. Research Methodology**

#### **3.1 Area of the study**

Shashemene (pronounced Sha-she-mene) is a town established in 1903 E.C, in the Southern Region of the Federal Democratic Republic of Ethiopia in the Oromia regional State roughly 250 km from the Capital City of Addis Ababa /Fin fine/.

Shashemene is one of the oldest towns in Ethiopia have been serving as the Capital of the west Arsi zone. The city lays on the Trans-African High Way international road that starched from Cairo (Egypt) to Cape Town (South Africa).

Shashemene is among the few privileged towns of its time to have its own municipal administration since 1935/36, and a master plan since 1996. It covers a total area of 17,119 hectares.

Depending on data given from city Municipality, total population of Shashemene city was 369,873 in 2021 and 407,785 in 2022.

For better study results, the researcher used a sample selected from the study population as representative sample representing the entire study population. This selection of sample size helped the researcher to minimize resources such as; time and money in addition to other resources. The sample size consisted of 65 respondents from the study area in the municipality and these were selected as in table 1.

**Table 1: Showing Sample size of the respondents**

Category	Sample Size
Mayor Office	4
Civil service	4
Administration Staff	3
Finance department	3
Education department	30
Revenue office	3
Works department	3
Natural resources	5
Planning Unit	5
Health Department	5
<b>Total</b>	<b>65</b>

**Source: Primary Data, 2023**

For the purpose this study Snowball Sampling and simple random sampling during the process of selecting study respondents. It employed Snowball Sampling when selecting Shashemene Town Municipality heads of departments from the study area. In this case, the researcher reached the study area and selected one respondent from each category who assisted him to get in touch with other respondents as the pattern was followed until a total number of the respondents in the category were made. However, simple random sampling was used in the selection of workers at the Shashemene Town administration as the researcher only selected workers from the study area.

Data processing and analysis was done after collecting the raw data from the field. Editing and checking for accuracy of information and uniformity was done at this level of the study. The collected data was analyzed

both quantitatively and qualitatively as follows. Quantitative data was grouped and statistical description such as tables showing frequencies and percentages and pie- charts developed for better representation of the study findings.

Qualitative data refers to the data collected from respondents that cannot be easily presented in numerical form. The researcher used thematic content data analysis method. The researcher analyzed this type of data by only identifying the responses from respondents that were relevant to the research problem. Mainly such data was analysed in way of explaining the facts collected from the field under which the researcher used themes developed from the study objectives, quotable quotes.

#### **4. Data Analysis Interpretation and Presentation Of Findings**

The study was about the effect of employment opportunities services towards gender discrimination in Shashemene Town Municipality in west Aris zone. The findings from the study are presented and analyzed chronologically in accordance to the objectives of the study as were formulated in the previous chapter of this report thus tables and graphs are drawn illustrating various variables.

This chapter deals with presentation of analysis and interpretation of data obtained from field survey on the effect of employment opportunities services towards gender discrimination in Shashemene town Municipality local government and specifically exploring the reasons for gender discrimination at Shashemene Town Municipality, to examine the influence of gender discrimination on employment opportunities services at Shashemene Town Municipality and to suggest ways for preventing gender discrimination at Shashemene Town Municipality. The section begins by presenting the background information of respondents also to aid in the interpretation of findings.

#### **4.1 Background information of the respondents**

In analysis of Socio-Demographic and economic profile of respondents and variables such as gender, age, marital status and level of education were examined as showed in following tables.

##### **4.1.2 Gender of respondent**

The study had included both male and female respondents. Male respondents were more interacted than female one.

**Table 2: Showing gender distribution of respondents**

Gender	Frequency	Percentage
Male	42	64.6
Female	23	35.4
Total	65	100

**Source: Field Data 2023**

According to findings, 64.6% of respondents were found to be male respondents while only 35.4% were female respondents. The majority are men because they were voluntary to respond than to female ones were much more willing to participate and express their views comfortably and of course the male employees exceeded than female in the municipality.

#### **4.2: The effect of employment opportunity services on gender discrimination at Shashemene Town Municipality**

The study required the thoughtful of the term gender discrimination according to respondents and various responses were obtained as showed in table below.

**Table 3: Showing responses of understanding of term gender discrimination**

Response	Sex				Total Frequency	Total Percentage
	M	%	F	%		
Unfair treatment of sexes	06	09	04	06	10	15
Segregation	11	17	06	09	17	26
Prejudice	14	21	07	11	21	32
Favoritism with in gender	11	17	06	10	17	27
<b>Total</b>	<b>42</b>	<b>65</b>	<b>23</b>	<b>35</b>	<b>65</b>	<b>100</b>

**Source: Field Data 2023**

According to the findings respondents has shown that gender discrimination refers as to be unfairly treated between men and women, this was pointed out by 15% of study according to respondent response. Regarding in terms segregation of sex 26% pointed out as to be gender discrimination, this is equal to mean in employment or any other opportunities in life as well. The majority of 32% of the respondents mentioned as to be gender discrimination refers with prejudice among them, where people are wrongly judge in relation

to others and categorized without rational approach. The study also revealed that 27% of the respondents alleged as to be favoritism in various ways on gender discrimination.

### **4.3 Challenges experienced due to gender-based discrimination on employment opportunities in Shashemene Town Municipality.**

#### **4.3.1 How gender discrimination affects employment opportunities in Shashemene Town Municipality.**

The study organized on the Challenges happened due to gender based discrimination on employment opportunities in Shashemene Town Municipality and various aspects were pointed out like; employment of unqualified persons, corruption within the work, poor quality of work and income inequality as presented in Table 9.

**Table 4: Showing how gender discrimination affects employment opportunities**

Effects of gender discrimination on employment opportunities	Sex				Total Frequency	Total Percentage
	M	%	F	%		
Employment of unqualified persons	07	11	04	06	11	17
Corruption within the work	18	28	10	15	28	43
Poor quality of work	10	15	05	08	15	23
Income inequality	05	08	04	06	09	14
Employing of unskilled persons	02	03	00	00	02	03
<b>Total</b>	<b>42</b>	<b>65</b>	<b>23</b>	<b>35</b>	<b>65</b>	<b>100</b>

#### **Source: Field Data 2023**

The study identified that employment of unqualified persons is one of the effects of gender discrimination on employment opportunities. According to respondents making 17% people are discriminated due to being unqualified to get if they do not favored and this hampers the work quality as to be Challenges experienced and adversely affect Shashemene Town Municipality since the people who have the skills are left out because of various reasons and the unqualified ones get jobs.

The wider challenge that affect as major one was corruption within the work has been considered as gender discrimination also affects employment. The majority respondents of 43% argued that where gender

discrimination is extensive, people tend to misuse resources to make their bosses happy since they received jobs out of improper channels.

The study found out that poor quality of work as to be one of the effects of discrimination on employment opportunities. The above table findings indicate the gender discrimination in employment opportunities; work output is poor since the people holding positions were employed without the right procedures which were 23% mentioned poor quality work as an adverse effect of gender discrimination on employment opportunities.

It was also identified the effect of income inequality according as to be 14% respondents. It was explained that discrimination leads as to bias for giving jobs to some people and leaving out others and this also comes with an imbalance in income distribution among people thus causing income inequality between those who get the employment and those who do not get the jobs.

In addition, employment of unskilled persons was mentioned where there is gender discrimination in employment opportunities. Only 03% alleged that unskilled workers find their way into the district department because of being favored because of their gender and they get jobs at the expense of the skilled persons, this also explains poor quality services and work.

#### **4.4 The ways of preventing gender discrimination at Shashemene Town Municipality.**

In this part of the study designated whether there are ways how gender discrimination can be reduced and the majority of respondents was revealed in the ways how gender discrimination can be abridged.

##### **4.4.2 How gender discrimination can be reduced**

The respondents mentioned positive ways that give solution for gender discrimination like affirmative action, enforcement of labor laws, encouraging fair competition, and empowerment of women and physically handicapped as indicated in table below to be good solution.

***Table 5: Showing ways how gender discrimination can be reduced***

Response	Sex				Total Frequency	Total Percentage
	M	%	F	%		
Affirmative action	11	17	10	15	21	32
Enforcement of labor laws	08	12	05	08	13	20
Encourage fair competition for jobs	13	20	06	10	19	30

Empowerment of women and physically handicapped	10	15	02	03	12	18
<b>Total</b>	<b>42</b>	<b>65</b>	<b>23</b>	<b>35</b>	<b>35</b>	<b>100</b>

**Source: Field Data 2023**

Affirmative action is taken in the study mentioned as one of the ways of reducing gender discrimination. Accordingly to 32% of respondents would involve supporting of women by calling for giving a percentage of jobs at the municipality to women so as to bring about balanced employment it also calls for employment of the physically handicapped and the youth in jobs so as to bring about equitable distribution of resources through affirmative action.

Enforcement of labor laws that call for balanced employment of both sexes regarding to this study. Accordingly, 20% of respondents labor laws can help in pleading the town Municipality in courts of law where cases of gender discrimination in employment opportunities are suspected to have taken place in the awarding of jobs and in so doing the situation can be reversed.

Fair competition also established to get response from respondents on the job process. Respondents making 30% argued that fair competition in the selection and awarding of jobs should be promoted by all people at the town this will see gender discrimination reduced.

The study found out that empowerment of town Municipality and physically handicapped is one of the ways that can be applied to reduce on gender discrimination in employment at the town Municipality. Respondents making 18% added that empowerment of women through education, promotion and supporting women in various aspects of education can help to give women a strong competitive position and in so doing gender discrimination can be reduced vocational studies are important for women as well since women have demonstrated the ability to do tasks like driving construction even better than men.

## **5. Finding, Conclusions and Recommendations of the Study**

This part lays out the conclusions about the study basing on the findings as presented in analysis of this study and draws recommendations basing on the researcher's judgment of the issues comprehended while in the field.



### **5.1 The study finding on the challenges experienced due to gender discrimination on employment opportunities services at Shashemene Town municipality.**

It was found that gender discrimination also affects employment in such a way that brings in corruption within the work. Respondents argued that where gender discrimination is rampant, people tend to misuse resources to make their bosses happy since they received jobs out of improper channels. Also that people resort to the use of money to buy jobs since there is no fair way of giving jobs to the public. The study found that poor quality of work is another effect of discrimination on employment opportunities. The table findings above indicate that because of gender discrimination in employment opportunities, work output is poor since the people holding positions were employed without the right procedures. These findings are supported by Sotiropoulos (1985) who reviewed the rate of return to education for fifty-six countries. He noted that in developing countries the rate of return for women generally exceeds that for men.

Other studies include Chua (1984), Conroy & Maren Bach (1975) for Malaysia and the United States of America respectively. The possible reason for the slightly higher rate of return to education Gwaltney & Long (1978) reports similar results for Malaysia and the United States for women may derive from differences in the demand, and supply of education between men and women (Sloane, 1985).

Also identified was the effect of income inequality. It was established that discrimination leads to giving jobs to some people and leaving out others and this also comes with an imbalance in income distribution among people thus causing income inequality between those who get the employment and those who do not get the jobs. In addition, employment of unskilled persons was cited where there is gender discrimination in employment opportunities. Respondents believed that unskilled workers find their way into the district department because of being favoured because of their gender and they get jobs at the expense of the skilled persons, this also explains poor quality services and work.

The study found that unfair distribution of jobs was one of the challenges. According to respondents who interacted while in the field, jobs get unfairly distributed among departments thus leading to gender imbalance in job distribution. The other challenge that was cited by respondents in the study was under exploitation of talents. It was found that gender discrimination leads to the employment of unskilled persons and the skilled ones are left out thus their talents are underutilized and exploited thus staying redundant.

The study also established that there is a challenge of the bad image in public as a result of gender discrimination in the district when employment opportunities are given with a bias on the gender of individuals. According to the respondents, there is a challenge of a bad image in the public thus confidence, loyalty, and trust of the masses is lost leading to poor co-operation.

Also identified was that there is a challenge of poor services offered to the district and the citizens at large because gender discrimination breeds employment of unfit workforce to positions that directly deliver services to the people and in the long run the incompetence sets in and poor-quality work emerges. Respondents went ahead to explain that the situation leads to disgruntlement and resentment within the populace.

## **5.2. The study finding on the ways for preventing effects of gender discrimination at Shashemene Town Municipality.**

The study mentioned affirmative action as one of the ways to reduce gender discrimination. Affirmative action, according to the respondents, would involve supporting women by calling for giving a percentage of jobs in the district to women to bring about balanced employment. It also calls for the employment of the physically handicapped and youth in jobs to bring about an equitable distribution of resources.

The study also established enforcement of labor laws that call for balanced employment of both sexes. Respondents indicated that labor laws can help in petitioning the district in courts of law where cases of gender discrimination in employment opportunities are suspected to have taken place in the awarding of jobs, and in so doing, the situation can be reversed. The study respondents also established that there should be fair competition in the job process.

The study found that empowerment of women and the physically handicapped is one of the ways that can be applied to reduce gender discrimination in employment at Shashemene Town Municipality. Respondents argued that empowerment of women through education, promotion, and supporting women in various aspects of education can help give women a strong competitive position, and in so doing, gender discrimination can be reduced. Vocational studies are important for women as well, since women have demonstrated the ability to do tasks like driving construction even better than men.

The strategy was cited in the Ethiopian gender policy (2007) as an objective to sensitize people on gender and development (GAD) as well as women in development. (WID). Earlier, Ralph Mathekga (2002) observed that it is important to ensure that gender policy is disseminated and translated for the citizens of Ethiopia to understand. What the researcher found out as the strategy is adequate timing of planning meetings

and the planning process generally. This seems to have been neglected by former scholars, and no literature has revealed this. The process of planning must be properly timed to allow all stakeholders an opportunity to participate.

### **5.3 Conclusions**

The study came to the conclusion that gender discrimination is a well-known problem that occurs in local governments, particularly in Town municipality departments where persons are favored above others in terms of availing themselves of job chances.

The study came to the further conclusion that there are other factors, including political and religious affiliation, work requirements, nepotism and corruption, a variety of qualifications, and physical ability, that contribute to gender discrimination in the districts.

Also, it was concluded that discrimination negatively affects employment opportunities, and employing unqualified persons, corruption within the workforce, employing unskilled persons, income inequality, and poor quality of work are some of the ways gender discrimination affects employment opportunities at Shashemene Town Municipality.

It was further concluded that gender discrimination breeds challenges at the district local government, such as unfair distribution of jobs, under exploitation of talents, a bad image in public, and poor services.

The study concludes that there are some ways in which gender discrimination can be addressed, including affirmative action, empowerment of women and the physically handicapped, and enforcement of labor laws.

Gender discrimination sensitization

### **5.4 Recommendations**

According to the report, there needs to be a coordinated effort to combat and eliminate corruption in local government since it has fueled gender discrimination, where people who are better qualified for employment are passed over because they have less money to bribe. It is envisaged that eliminating corruption will restore gender equality in the allocation of employment opportunities.

According to the report, in order to eliminate gender discrimination, local governments should adopt a bylaw or enhance their current labor regulations to make it easier for women, people with physical disabilities, and young people to find employment.

Additionally, the report contends that since science has been applied, there is a need to support women's vocational education and encourage them to pursue it.

## 5.5 Suggested areas for further studies

For appropriate conclusions and recommendations, the study recommended the following as areas for further studies.

- i. The relationship between corruption and gender discrimination on employment opportunities at Shashemene Town Municipality
- ii. The effect of religion on employment opportunities at Shashemene Town Municipality.

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## **The Impact of Work Environment on Employee's Productivity: An Empirical Study of GACL Limited**

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### **Abstract**

One of the important administrative topics that has attracted notable attention from labour employers and organisations at large is the productivity of employees in any organisation. The productivity of employees in carrying out assigned tasks is becoming a growing problem for organisations, which in turn contributes to the organization's success.

The work environment is one of several aspects that might affect an employee's productivity either negatively or favourably. The goal of this research was to examine the workplace and ascertain the effects it has on worker productivity.

The study has been conducted by collecting data through questionnaires with a 5-point Likert scale of GACL limited. The data was analyzed using frequency counts and displayed in tables and percentages. In addition, an advance analysis using the regression t test was also performed.

Every organisation looked for a better employee—one who would be highly productive. Therefore, given they both form the basis of this study, organisations and employees alike will find benefit in this outcome. It has been found that majority employees of the GACL are satisfied with the work environment provided by the Company and which leads to the high level of productivity in the Company.

**Keywords:** Work Environment, Employees Productivity, GACL, Satisfaction, Growth and Development.

## Introduction:

### ➤ **Productivity:**

The productivity of employees in carrying out assigned tasks is becoming a growing problem for organizations, which in turn contributes to the organization's success. The work environment is one of several aspects that might affect an employee's productivity either negatively or favorably. The goal of this research was to examine the workplace and ascertain the effects it has on worker productivity. A better working atmosphere ensures that the final product is great. Companies must provide a better atmosphere for their employees in order to keep them away from conditions that impede productivity.

### ➤ **Work Environment:**

The work environment involves the physical geographical location as well as the immediate surroundings of the workplace, the working environment has two dimensions. The first one is the physical condition of the working place and the second one is the social condition. Working environment complies with the job security, employee's safety, appreciation of the performance, motivating facilities and maintaining good understanding among the coworkers and supervisors.

## Literature Review:

**Pajrin, Syamsuri et.al (2022)** This study examines the impact of wage system, workplace conditions, and welfare allowances on employee productivity at PT. Samawood Utama Work Industries Tanjung Morawa. A sample of 90 workers was analyzed using various methods. Results showed that wage, work environment, and welfare allowances significantly impact employee job productivity. The coefficient of determination is 0.892, indicating that 89.2% of employee productivity is driven by pay, work conditions, and welfare benefits, while the remaining 10.8% is influenced by additional factors.

**Kagi, Hayasi et.al (2021)** The COVID-19 pandemic has significantly impacted work styles and environments, leading to increased productivity in both office and work from home environments. A survey of 916 workers in Japan found that satisfaction rates were lower in office environments but higher in-home environments. However, challenges with business communication remained, highlighting the need for further research on productivity and work-from-home environments.

**Vyong, Napier et.al (2019)** This paper analyzes the effects of work environment (universities and research institutions) and collaboration on research productivity in Vietnam. It finds that university-affiliated authors have higher productivity than institution-affiliated peers. International collaboration could boost research

output, but this effect is insignificant among high-performing authors. The study highlights the importance of identifying factors affecting research productivity in developing countries like Vietnam.

**Basit & Harmina et.al (2019)** Study investigates workplace environment and internal motivation's impact on productivity using causal correlation methods on 30 PT employees. This study uses census methods to sample a whole population, revealing that internal motivation significantly influences employee productivity and overall company performance.

**Kyle Shobe (2018)** Business is driven by profit and global value, and high productivity is essential for a lean and efficient global economy. Factors such as job satisfaction, ergonomics, management support, and workforce autonomy are crucial for a productive work environment. Research shows that job satisfaction correlates with staff performance and output. Management support and workforce autonomy are also key factors in determining productivity levels. A survey with 100 office employees of a manufacturing plant provides evidence for driving high workplace productivity.

**Edo, Lucky et.al (2018)** This study examines the impact of working environment and teachers' productivity in secondary schools in Port-Harcourt Metropolis. A total of 22 principals and 440 teachers were interviewed, with a sample size of 462 respondents. The results showed that adequate lightening, temperature, and space availability significantly influence teachers' productivity. The study recommends adjusting the temperature and enhancing spacious classrooms and offices to reduce distractions and improve learning and teaching activities.

**Stromberg, Aboayage et.al (2017)** This study proposes wage multipliers to estimate productivity loss costs for employers in economic evaluations. Data from 758 managers was collected, and managers assessed absenteeism, sickness, and work environment-related issues. The predicted values were used to derive wage multipliers based on managers' estimates. The costs of health-related and work environment-related problems can exceed worker wages.

**Arends, I., C. Prinz and F. Abma (2017)** This paper examines the relationship between work environment quality and individual at-work productivity, focusing on health effects. After screening 2 319 studies, 48 studies were reviewed. Strong evidence found a negative relationship between job stress and productivity, while positive relationships were found between job rewards and productivity. Moderate evidence showed a negative relationship between work-family conflict and productivity, while fairness and social support positively influenced productivity. Job quality needs more attention in labor market policy, and multidisciplinary approaches are needed to support at-work productivity.

**Massoudi& Hamdi (2017)** This study examines the relationship between workplace physical conditions and worker productivity as it analyses the working environment of a foreign private bank operating in Iraq's Kurdistan Region. The study employs a qualitative methodology and questionnaire to collect the data.

### **Research Methodology:**

The following research Methodology has been followed in this study:

- **Research Design:** Descriptive Research Design.
- **Data Collection Method:** Primary Data through structured Questionnaire
- **Sample Size:**
  - 60 Management Employees
    - Regular Employees (25)
    - On- Contract Employees (35)
- **Objectives of the Study:**
  - To Quantify Employee Satisfaction and Engagement at GACL limited
  - To Examine the Work Climate of the Organisation
  - To Know Holistic Perspective of Employees towards the organisation



## Data Analysis:

### 1. Do you have a clear understanding of your career path and promotion plan at GACL?



95% of total employees are aware about their Career Path & Promotion Plan at GACL which is a good thing. Only 5% people are less aware in which 1 person is from Regular & 2 from On Contract.

### 2. Does the work assigned to you align with your job role?



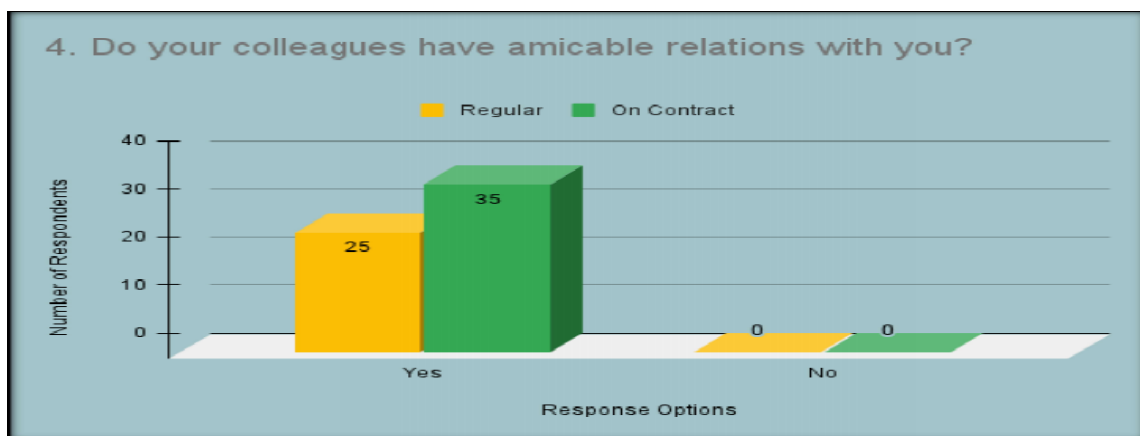
96% Employees feels that the work assigned to them is aligned with their job role including both Regular & On Contract are not satisfied with their job role as compared to the job role they perform.

### 3. Do you think your potential is optimally utilized?



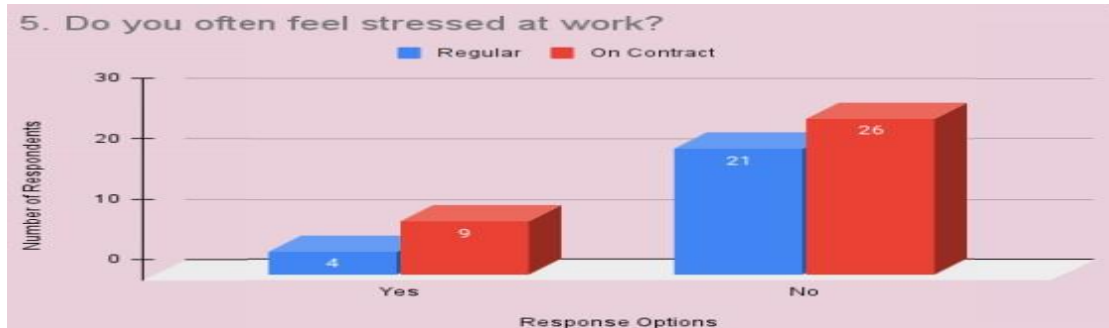
Total 15 (including regular and on contract) respondents feel that their Potential is not 'Fully Utilized' according to the job they perform.

### 4. Do your colleagues have amicable relations with you?



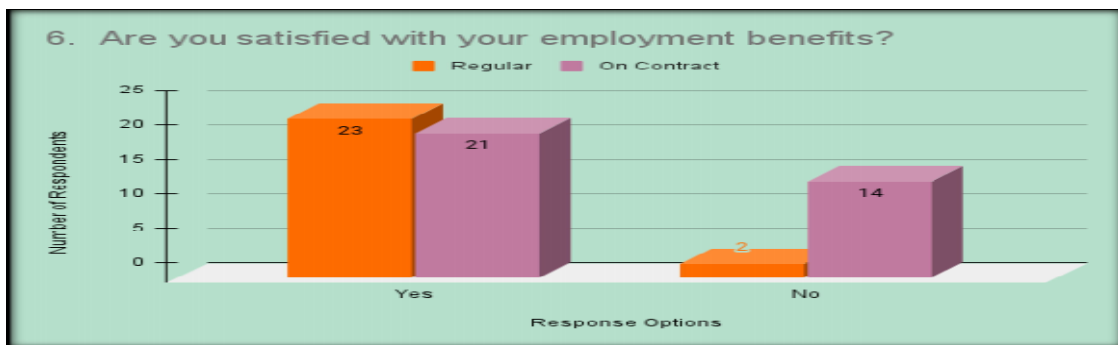
The best working Environment is where you have 'Good & Friendly' relations with your colleagues around you. GACLites have amicable relations with their colleagues irrespective of whether they are Regular or On- Contract.

### 5. Do you often feel stressed at work?



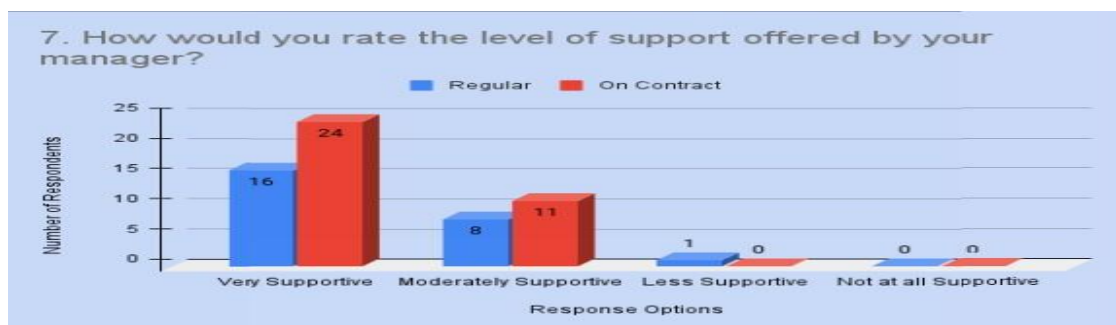
78.33% of employees of Regular and 84% of On Contract employees do not have stress at workplace. Whereas, 21.67% of Regular & 16% of On Contract employees are feeling stressed at work.

### 6. Are you satisfied with your employment benefits?



Only 2 regular employees are not satisfied with their employment benefits. While, 14 of on contract employees are not satisfied with their employment benefits.

### How would you rate the level of support offered by your manager?



Only 1 employee says that Manager is less supportive in their work. All other employees have an opinion that their manager extends their support to them in fully supportive or moderately supportive manner.

#### 7. Would you defend the organization when other employees criticize it?



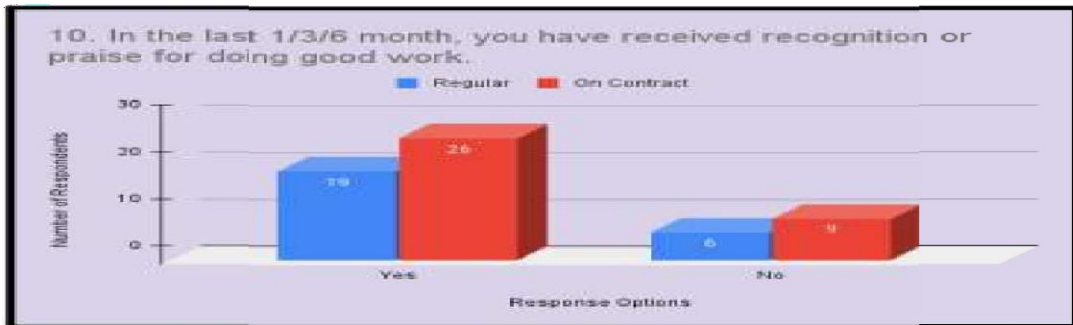
85% of employees will take the stand for Organization if someone (inside or outside) criticizes it and the rest 15% will look into the matter or point of criticism.

#### 8. How optimistic are you regarding your growth in GACL?



60% of the Employees (Both Regular & On- Contract) feels they have 'Moderate growth' in GACL and 26.67% are 'Very Optimistic' regarding their growth, whereas 13.37 Employees are Less optimistic.

**9. In the last 1/3/6 month, you have received recognition or praise for doing good work.**



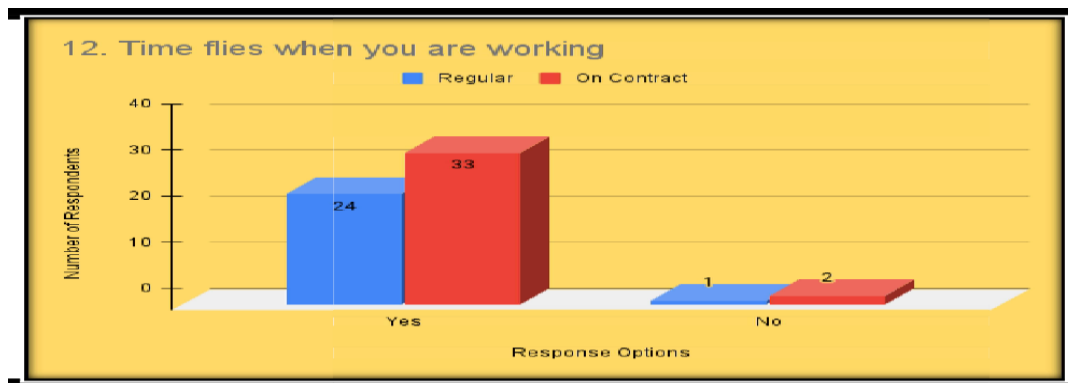
75% of the employees have received praise or recognition for their work in last 1 to 6 months. 15% of remaining employees have not received that too which lacks in their motivation.

**10. Are you encouraged to balance your work life and personal life?**



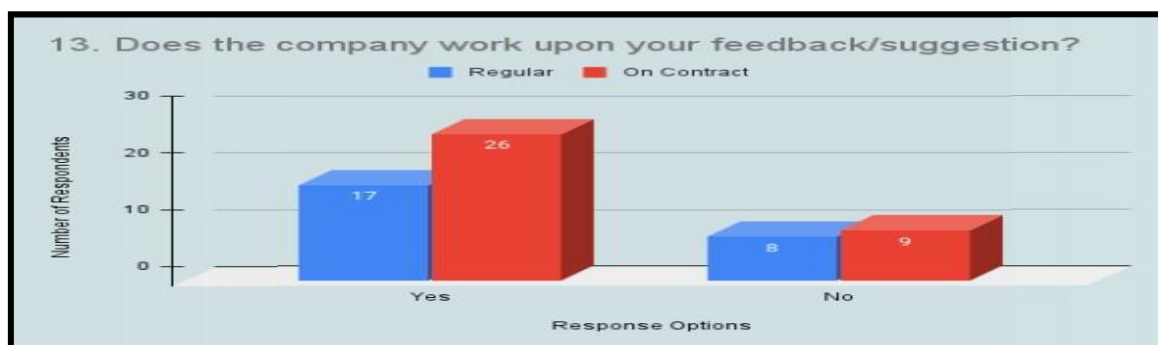
81% of employees can balance their work- life balance and they are encouraged to manage their personal life as well. The 19% of employees contains majority of On-Contract employees especially the Shift ones, as they don't get time for their personal life after completing 'Night Shifts'.

### 11. Time flies when you are working.



Employees are so busy in their work that they don't know when the time is clocking out and how the day is over.

### 12. Does the company work upon your feedback/suggestion?



71.67 % Superiors or HODs of employees work upon their suggestions, the employees of plant are more satisfied as they see more implications in the work systems. In the marketing department a major chunk of employees is unhappy because their HODs do not work upon their suggestions, also they do not bother to give feedback to the employees, so that they can bring more practical & effective suggestions.

### 13. How likely would you be to apply to this position again?



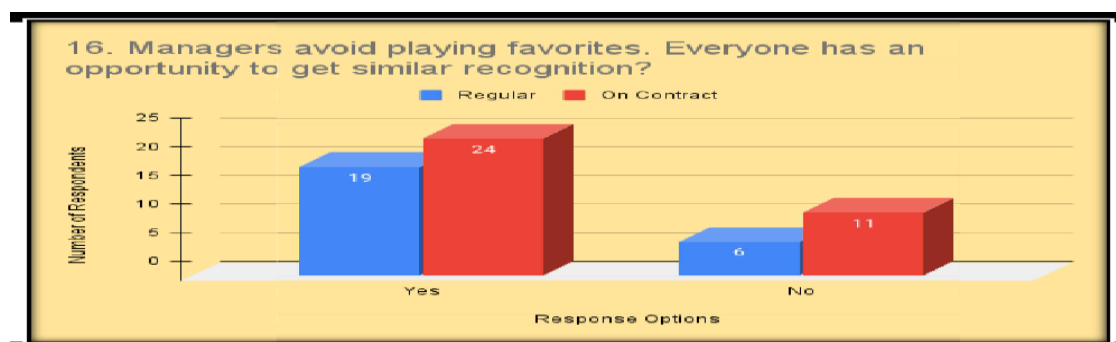
28.33% Employees are much likely to apply to this position, whereas 71.66% Employees are less likely or never like to apply for this position again.

### 15. Do you wait for weekly off?



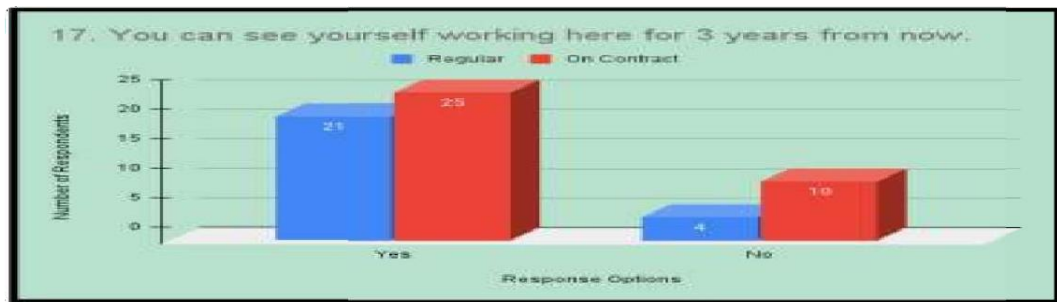
55% of Employees wait for Weekly Off as they prefer 5 Days working Environment.

### 16. Managers avoid playing favorites. Everyone has an opportunity to get similar recognition?



28.33% of Employees feels that the Managers plays Favourites, and they are not being rated up to their potential in KPI's and majority of them are from on contract basis employees.

**14. You can see yourself working here for 3 years from now.**



76.67% of Employees see themselves working in GACL for 3 years from now and few of them wants to work till their retirement here.

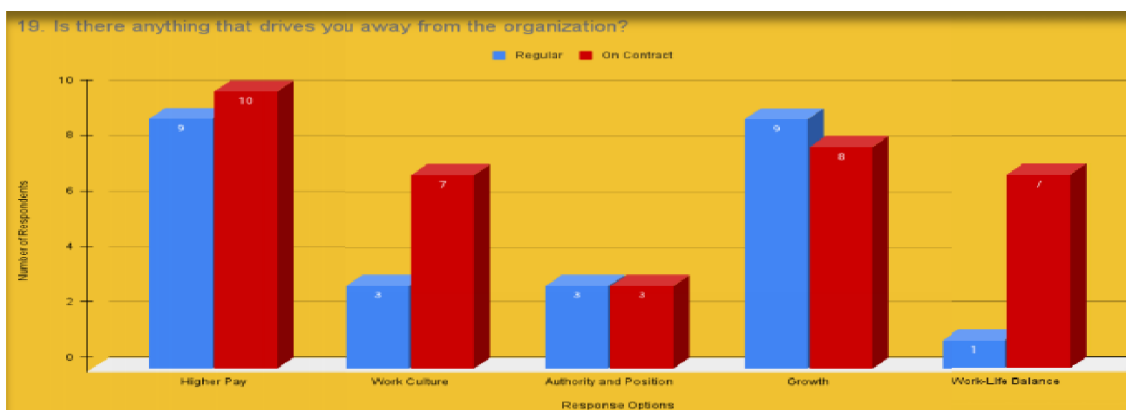
**15. You can continue working for very long periods at a time**



83.33% of Employees can work for long periods of time without any breaks as they know what their responsibilities are and what needs to be prioritized. 16.67% can also perform their job effectively but they need breaks in order to remain focused.



## 16. Is there anything that drives you away from the organization?



From the data it is clearly visible that employees will prefer Compensation & Benefit over any other factor as a means to leave the organization. Also, Growth and Work Culture are majorly preferred.

## Findings

1. Majority of the employees are assigned work as per their job role and clear about their career path.
2. All the employees obey friendly and positive work relationship with their colleagues.
3. Few contractual employees feel stressed in handling their work and they are not satisfied with employee benefits which are rendered to them by organization.
4. Almost all the employees working at GACL believes that their manager is supportive in their work.
5. Regular employees don't see growth as far as their career at GACL. On the contrary, contractual employee feels positive growth in the organization.
6. More than 80% employee manages well their personal and professional life.
7. The organization is trying to improve work environment by taking suggestions or feedback from existing employees.
8. More than 75% employees want to continue their job at GACL for a longer period of time.
9. Contractual employee believes higher pay, growth, work culture and work life balance may lead them to switch to other organization.
10. Most of the regular employee believes higher pay and growth may be the main cause for switching to other organization.

## Suggestions

1. It is found that employees feel exhausted on the last working day of the week. Company should create vibrant environment by removing dress code on last working day of the week. Also, company should consider 5 Day Work Week.
2. Organisation should take some steps like job security after contract gets over for contractual employees.
3. To reduce the stress of the employee organisation may arrange MDPs which can help to improve their efficiency and reduce stress.
4. Organisation may think to give better opportunity for the growth of the employee to retain them for longer period of time.
5. By incorporating suggestions or input from current employees, the organisation should try to improve the present working environment.
6. Contractual employee believes higher pay, growth, work culture and work life balance may lead them to switch to other organization.
7. Organisation should device sound remuneration policy for both the kind of employees i.e. Regular and Contractual employees.

## Conclusion

It is feasible to realise an organization's purpose by giving the most facilities with the working environment. With the goal of the insight component, the study was created to investigate the impact of the working environment.

Employees of the firm agreed on the favourable influence of the working environment as a result of the findings. They also stated the component's thoughts for a better working atmosphere at the same time. Despite the fact that this survey was conducted on a small sample size and without categorising employee kinds, it provides employees with a clear picture of their working environment and labels of expectations.

### **Limitations of the Study**

- The higher number of respondents may lead to more accuracy in the output.
- The study is based on primary data in which personal bias may reflect.
- The close ended questions may not allow respondents to fully express their opinion.
- The study is only limited to GACL employees.
- The study only focuses on human resource management does not trace cross sectional subject areas
- Last but not least time, money and strength remained a constraint in the study.

### **Scope for Further Studies**

- Other areas of management may be explored related to the present theme of paper.
- Factors related to other domains should also be studied showing impact on employee's performance.
- Findings may vary in local and global context.
- Different techniques like interview may be combined with the study to get higher accuracy in the results.

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# Human Resource Planning and Change Management: A Study on ‘HR’ Analytics for Sustainable Businesses

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## Abstract

This Abstract examines the critical relationship between Human Resource Planning (HRP) and Change Management in fostering organizational adaption. In the dynamic and ever- evolving business geography, associations face constant challenges and openings that demand nippy and effective responses. HRP plays a central part in aligning an association's pool with its strategic objects, icing the right gift is in place to meet current and unborn demands. Change Management, on the other hand, facilitates the successful perpetration of organizational changes by addressing hand resistance and promoting hand engagement. The Abstract highlights the crucial aspects of Human Resource Planning, similar as pool analysis, gift accession, hand development, and race planning, which help associations maintain a competitive edge. Likewise, it delves into the critical part of Change Management, encompassing leadership support, communication, training, and hand involvement, in driving a smooth transition during times of organizational change. And the ‘HR’ analytics also plays crucial role in determining the sustainability of the business.

**Keywords:-** Human Resource Planning, Change Management, Workforce Analysis, Talent Acquisition, Employee Development, Succession Planning, Organizational Adaptation, Leadership Support, ‘HR’ analytics.

## **Introduction: -**

Human Resource Planning and Change Management are two critical aspects of organizational success in the dynamic and ever- evolving business terrain. As businesses face constant challenges and openings, the effective operation of their mortal capital and the capability to navigate through change come vital in achieving long- term sustainability and growth. Human Resource Planning involves the strategic alignment of an association's pool with its pretensions and objects. It encompasses the process of soothsaying future mortal resource requirements, relating the needed chops and capabilities, retaining and opting the right gift, and developing workers to meet current and unborn demands. Through methodical analysis and planning, Human Resource Planning ensures that associations have the right people, in the right places, with the right chops, at the right time. On the other hand, Change Management is the structured approach association's use to transition from their current state to asked unborn state. It involves understanding the need for change, preparing workers for the metamorphosis, enforcing the change effectively, and sustaining the change over time. Change Management aims to minimize resistance, ameliorate acceptance, and optimize the overall success of organizational changes, similar as combinations, restructurings, technology executions, or process advancements. In moment's presto- paced and connected world, businesses face unknown challenges related to sustainability and responsible practices. As associations strive to achieve long- term success while minimizing their impact on the terrain and society, the part of Human coffers (HR) becomes decreasingly vital. HR Analytics, the process of using data- driven perceptivity to make strategic HR opinions, has surfaced as a important tool in the pursuit of sustainable business practices. Sustainable business practices go beyond bare compliance with regulations; they number incorporating environmental, social, and governance (ESG) factors into core business strategies. HR Analytics plays a critical part in this bid by empowering HR professionals and business leaders to gain deeper perceptivity into their pool and align HR enterprise with sustainable objects.

## **Objectives of the Study: -**

1. To find out about the human resource planning.
2. To find out about the resource acquisition.
3. How to find the relevant HR analytics methods in an organization.
4. How HR analytics are useful in an organization.

### **Human Resource Planning: -**

Human Resource Planning (HRP) in India plays a pivotal part in shaping the pool strategies of associations operating in this different and dynamic country. India's fleetly growing frugality, large population, and different gift pool present both openings and challenges for businesses, making effective HRP essential for long- term success.

1. Talent Pool Diversity India is known for its different pool, with varying chops, educational backgrounds, and artistic nuances. Effective HRP involves understanding this diversity and aligning it with organizational pretensions to subsidize on the unique strengths of the pool.
2. professed Labor Market India is home to a large number of professed professionals in colorful sectors, including IT, engineering, healthcare, and finance. HRP helps associations identify and attract these professed individualities, icing the right gift is available to meet the specific requirements of the assiduity.
3. Human Capital Challenges Despite a vast gift pool, India faces challenges related to employability, skill gaps, and employability of certain demographics. HRP focuses on bridging these gaps through training and development programs, thereby enhancing the overall employability of the pool.
4. Civic-pastoral Divide India's pool isn't unevenly distributed between civic and pastoral areas. HRP considers this peak and aims to give employment openings in pastoral regions while addressing the unique challenges faced by each member.
5. Demographic tip India is passing a demographic tip with a large working- age population. Effective HRP ensures that this demographic tip is optimally exercised to drive profitable growth and productivity.
6. pool Regulations India has complex labor laws and regulations that impact HR practices. HRP involves understanding and complying with these laws while icing fair and ethical treatment of workers.



7. **Gift Retention** In a competitive job request, gift retention is vital for associations' stability and growth. HRP focuses on hand engagement, compensation, and career development to enhance hand fidelity and reduce waste.

### **Change Management: -**

Change Management in India is a critical aspect of organizational success in a fleetly evolving business geography. As businesses in India face constant challenges, openings, and dislocations, the capability to manage and navigate through change becomes consummate for maintaining competitiveness and achieving sustainable growth.

1. **Rigidity to Market Changes** The Indian request is largely dynamic, told by shifts in consumer preferences, technological advancements, and nonsupervisory changes. Change Management in India focuses on erecting organizational dexterity to respond snappily and effectively to request oscillations.
2. **Cultural Diversity** India is known for its rich artistic diversity, with varying languages, customs, and traditions across different regions. Effective Change Management considers this diversity to ensure that change enterprise reverberate with the pool and stakeholders from different backgrounds.
3. **Embracing Technological Advancements** India has witnessed a significant digital metamorphosis in colorful diligence. Change Management helps associations borrow new technologies seamlessly while addressing the implicit resistance and skill gaps that may arise during the transition.
4. **pool Skill Development** As diligence evolve, there's a constant need for upskilling and reskilling the pool. Change Management focuses on furnishing training and development programs to equip workers with the chops necessary to thrive in the changing business geography.
5. **Managing Organizational Restructuring** In response to request demands, combinations, accessions, and organizational restructuring are common in India. Change Management ensures smooth integration and alignment of the pool during similar transitions.
6. **Regulatory Compliance** India's complex nonsupervisory terrain requires associations to acclimatize to changes in laws and programs. Change Management helps businesses stay biddable and acclimate their operations consequently.

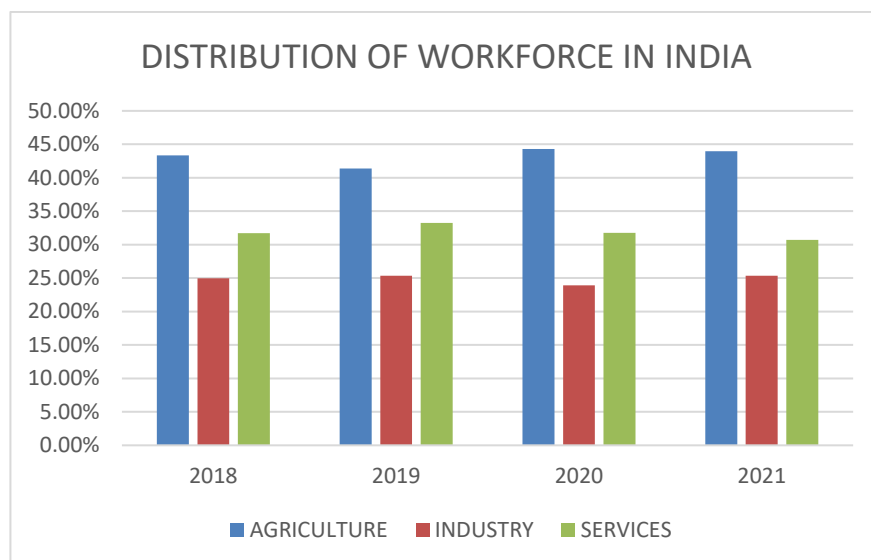
7. Engaging workers in Change Engaging and involving workers in the change process is pivotal for successful perpetration. Change Management emphasizes effective communication, feedback mechanisms, and hand participation to foster buy- in and reduce resistance.

### **Workforce Analysis: -**

Workforce analysis in India is a critical exercise for associations to understand and work the country's vast gift pool effectively. With a population of over 1.3 billion people, India boasts a different pool that presents both openings and challenges for businesses operating in the country.

1. Demographic Profile India has a large and immature population, with a significant portion of the pool falling in the age group of 25- 44 times. This demographic tip offers a substantial pool of working- age individualities, driving profitable growth and productivity.
2. Education and Chops India's education system produces a substantial number of graduates across colorful fields, including engineering, IT, operation, and healthcare. pool analysis helps identify the vacuity and distribution of professed gift for specific diligence and places.
3. Civic-pastoral Divide the Indian pool isn't unevenly distributed between civic and pastoral areas. pool analysis provides perceptivity into the attention of gift in different regions, helping associations conform their reclamation and expansion strategies consequently.
4. Language and Cultural Diversity India is a multilingual and multilateral country, with distinct indigenous languages and artistic nuances. Understanding this diversity through pool analysis enables associations to concoct effective communication and engagement strategies.
5. Gender Diversity Gender diversity in the Indian pool is gaining attention, with sweats to increase womanish pool participation and produce inclusive work surroundings. pool analysis helps track progress and develop strategies for enhancing gender diversity.
6. Labor Laws and Regulations India has complex labor laws and regulations that impact hiring, hand benefits, and working conditions. pool analysis ensures compliance with these laws while formulating HR programs and practices.
7. gift Migration India has a significant gift migration, with professionals moving to major metropolises or abroad for better openings. pool analysis helps associations assess pool mobility patterns and plan for gift retention.

8. Technology Chops The rapid-fire digitalization in India necessitates a focus on technology chops. pool analysis identifies the demand for specific tech chops, enabling associations to develop training programs to meet these requirements.



### **Talent Acquisition: -**

Talent acquisition in India is a critical function for associations seeking to make a competitive and high-performing pool. As one of the world's largest and swift- growing husbandry, India offers a vast pool of professed and different talent, making talent acquisition a dynamic and strategic process. To effectively acquire the right gift, associations in India need to borrow a comprehensive approach that considers colorful factors unique to the country's job request. One of the crucial challenges in gift accession is the sheer scale of the pool. India's population exceeds 1.3 billion, and while this presents a significant gift pool, it also means that associations must navigate through a large number of aspirants to identify the best-fit campaigners. This calls for robust reclamation processes, using technology, and data- driven hiring opinions to streamline the selection process efficiently. likewise, India's demographic tip is an essential consideration. With a sizable proportion of the population being youthful and digitally native, gift accession strategies need to feed to the prospects and preferences of this tech- expertise and ambitious pool. Social media and digital reclamation platforms have gained elevation in reaching out to implicit campaigners, particularly millennials. The indigenous diversity of India also plays a pivotal part in gift accession. Different countries and metropolises may have unique skill attention and assiduity preferences. As a result, associations must customize their reclamation sweats to suit original demographics and artistic morals, icing a localized and inclusive approach

to hiring. India's education system produces a massive number of graduates across colorful disciplines, but there can be variations in the quality and applicability of chops. Gift accession involves relating the specific chops demanded for colorful places and partnering with educational institutions to bridge any skill gaps through externships, internships, or acclimatized training programs. To attract top gift, associations must concentrate on erecting a strong employer brand that highlights the company's culture, values, and openings for professional growth. Campaigners are decreasingly conscious of plant culture and social responsibility, making employer imprinting a pivotal factor in attracting and retaining gift. Also, with the rise of remote work and the gig frugality, gift accession strategies may need to accommodate flexible work arrangements and design- grounded engagements. Embracing remote hiring and freelancers can expand the gift pool beyond geographical limitations and offer cost-effective results for certain places. In conclusion, talent acquisition in India requires a comprehensive and adaptable approach that accounts for the country's demographic diversity, digital geography, indigenous variations, and changing work patterns. By employing innovative reclamation styles, emphasizing employer branding, and understanding the evolving preferences of the pool, associations can effectively acquire the right gift to thrive in India's competitive and dynamic business terrain.

### **Employee Development: -**

Employee development in India is a pivotal aspect of mortal resource operation that plays a significant part in enhancing pool chops, engagement, and overall organizational performance. With India's fleetly evolving business geography and the adding demand for professed gift, associations must invest in comprehensive and strategic hand development enterprise to stay competitive and acclimatize to changing request dynamics.

1. Skill Development and Training Employee development in India starts with relating skill gaps and furnishing targeted training programs. Associations invest in specialized, soft chops, and leadership training to equip workers with the necessary capabilities to exceed in their places and take on lesser liabilities.
2. Nonstop literacy India's pool is decreasingly valuing openings for nonstop literacy and development. Employers are embracing a culture of literacy that encourages workers to take up instruments, attend shops, and engage in tone- paced online literacy to upgrade their knowledge and chops.
3. Leadership Development with India's fast- growing frugality, there's a strong demand for effective leaders. Hand development includes nurturing leadership eventuality within the association through leadership development programs, mentoring, and race planning.

4. Career Pathing furnishing clear career paths and growth openings is essential for gift retention. Hand development involves easing career path conversations, relating implicit career circles, and aligning hand with organizational requirements.
5. Cross-Functional Exposure Offering openings for cross-functional exposure and job reels helps workers gain different gests and broadens their skillset. Hand development plans frequently include enterprise that encourage workers to work on systems or assignments outside their core places.
6. Digital Upskilling India's adding digitalization requires workers to acclimatize to new technologies and ways of working. Hand development includes enterprise to upskill workers in digital tools and processes to remain applicable and competitive.
7. Performance Feedback and guiding Regular performance feedback and coaching are integral to hand development. Organizations give formative feedback to workers, relating areas for enhancement and furnishing guidance to enhance performance.
8. Hand Engagement Employee development sweats go hand- in- hand with hand engagement. Organizations that invest in their workers' growth and development demonstrate their commitment to hand well- being, leading to advanced engagement situations.
9. Personal Development Plans acclimatized particular development plans are designed for workers to address their unique experimental requirements and career bourns. This approach ensures that hand development is aligned with individual pretensions and organizational objects.
10. Learning and Development Budget to emphasize the significance of hand development, associations allocate a devoted budget for training and development enterprise. This fiscal commitment highlights the association's commitment to hand growth and fosters a literacy- acquainted culture.

In conclusion, hand development in India is a strategic imperative for associations aiming to attract, retain, and nurture a professed and engaged pool. By investing in training, nonstop literacy, leadership development, and substantiated growth plans, associations can produce a work terrain that empowers workers to reach their full eventuality and drive organizational success in the dynamic Indian business geography.

**Succession Planning: -**

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### **Organizational Adaptation: -**

Organizational adaption in India is a critical process that enables businesses to thrive in the country's fleetly changing and dynamic business terrain. As one of the world's swift- growing husbandry, India presents unique openings and challenges, making rigidity a crucial factor for sustained success.

1. Market Dynamism India's request is characterized by rapid-fire changes in consumer preferences, technological advancements, and nonsupervisory shifts. Organizational adaption involves staying attuned to these request dynamics and fleetly conforming strategies to subsidize on arising openings.
2. nimble Decision- Making In the face of misgivings, organizational adaption in India requires nimble decision- making processes. Organizations need to be responsive and flexible, making quick and informed opinions to navigate through challenges and subsidize on favorable conditions.
3. Technology Integration India is witnessing a digital revolution, and associations must acclimatize by embracing technology in their operations. This includes espousing advanced tools, digital platforms, and robotization to ameliorate effectiveness and client experience.
4. Talent Acquisition and Development with India's competitive job request, associations need to acclimatize their gift accession and development strategies. This includes attracting and retaining professed gift, furnishing nonstop literacy openings, and erecting a different and inclusive pool.
5. Innovation and Creativity Organizational adaption involves fostering a culture of invention and creativity. Encouraging workers to induce new ideas and approaches helps associations stay ahead of the competition and acclimatize to changing client requirements.
6. Regulatory Compliance India's complex nonsupervisory geography demands constant attention to insure compliance. Organizational adaption involves visionary measures to align with legal conditions and acclimatize to changes in regulations.

7. client- Centric Approach conforming to the evolving requirements and prospects of guests is essential for organizational success in India. Organizations must continuously gather client feedback, dissect request trends, and introduce products and services consequently.

8. Localization India's different artistic and verbal geography necessitates a localized approach to operations. Organizational adaption involves customizing products, marketing strategies, and client engagement to suit indigenous preferences.

9. Social and Environmental Responsibility As mindfulness of social and environmental issues grows in India, associations need to acclimatize by embracing sustainable practices and demonstrating social responsibility. Aligning with sustainable pretensions enhances the association's character and appeal to guests and workers likewise.

10. hookups and Collaborations In a fleetly changing business terrain, strategic hookups and collaborations can grease organizational adaption. uniting with other businesses, startups, or technology providers can bring fresh perspectives and enable access to new requests or technologies.

In conclusion, organizational adaption in India is a dynamic and ongoing process that requires a visionary mindset and a amenability to embrace change. By being nimble in decision- timber, using technology, nurturing invention, and prioritizing client requirements, associations can successfully navigate the complications of the Indian business geography and position themselves for sustainable growth and success.

#### **Leadership Support: -**

Leadership support in India is a pivotal factor that can significantly impact an association's success, growth, and overall performance. As one of the world's swift- growing husbandry, India presents unique openings and challenges for businesses. Effective leadership support is essential for navigating through the complications of the Indian request, fostering invention, and driving hand engagement. First and foremost, leadership support sets the tone for the entire association. When leaders demonstrate a clear vision, strong values, and a commitment to excellence, it inspires workers to align their sweats with the association's pretensions. In India, where the pool is different and multi-generational, effective leadership plays a crucial part in fostering a sense of purpose and concinnity among workers. Leadership support is particularly critical during times of change or query. In a fleetly evolving business geography, associations in India frequently face dislocations due to technological advancements, request oscillations, or nonsupervisory changes. Strong leadership provides stability and direction during similar times, assuring workers that the association can navigate through challenges and crop stronger. In the environment of gift operation, leadership support is



vital for attracting, developing, and retaining top gift. India's competitive job request demands that associations offer a seductive and empowering work terrain to attract professed professionals. When leaders laboriously endorse for hand growth, fete their benefactions, and give openings for career advancement, it enhances hand satisfaction and reduces development. also, in India's hierarchical culture, leadership support can produce a positive work culture where workers feel valued, admired, and heard. Open communication channels between leaders and workers enable formative feedback and foster a culture of translucency and trust. Another aspect where leadership support is necessary is invention and threat- taking. In India's decreasingly competitive business geography, associations must be innovative and nimble to stay ahead. Leaders who encourage creativity, award threat- taking, and tolerate formative failure foster a terrain where workers are motivated to explore new ideas and push the boundaries of invention. also, in India's different and socially responsible terrain, leadership support for commercial social responsibility (CSR) enterprise is critical. Companies that laboriously share in social and environmental causes earn the goodwill of their stakeholders and contribute appreciatively to society. Leadership support is necessary in driving CSR sweats and inspiring workers to share in community engagement conditioning. In conclusion, leadership support in India is a crucial motorist of organizational success, hand engagement, and invention. Effective leaders set the vision, produce a positive work culture, and steer the association through challenges and change. By investing in leadership development, promoting translucency, supporting hand growth, and backing CSR enterprise, associations can work leadership support to foster a dynamic, engaged, and socially responsible pool that thrives in India's ever- evolving business geography.

#### **Research Methodology: -**

This study's aim is to find out the human resource planning (HRP), and the relevant HR analytics, the primary data is taken from blogs and books, the secondary data is taken from the articles, journals.

#### **Literature Review: -**

#### **Introduction**

Human resource planning and change management are two integral components of organizational strategy and development. Human resource planning involves forecasting future workforce needs, identifying skills gaps, and ensuring the right people are in the right positions. Change management, on the other hand, deals with the processes and strategies implemented to navigate organizational changes effectively. This literature review delves into the key themes, theories, challenges, and best practices surrounding the intersection of human resource planning and change management.

## **Theoretical Frameworks**

Several theoretical frameworks underpin the relationship between human resource planning and change management. The "Resource-Based View" emphasizes aligning human capital with strategic goals, emphasizing the need for effective planning to allocate resources efficiently. The "Contingency Theory" suggests that the choice of change management strategies should depend on the unique circumstances of each organization.

## **Strategic Alignment and Integration**

Research highlights the importance of aligning human resource planning with organizational strategy. Effective planning ensures that the workforce possesses the necessary skills and competencies to support strategic objectives. Organizations that integrate human resource planning and change management tend to experience smoother transitions during periods of change.

## **Skills Gap Analysis**

A key function of human resource planning is to identify skills gaps within the organization. Research shows that a thorough analysis of required competencies versus existing skill sets can inform targeted training and development initiatives. Addressing skills gaps can enhance employees' readiness to adapt to change and take on new responsibilities.

## **Leadership and Communication**

Leadership plays a pivotal role in both human resource planning and change management. Effective communication from leadership fosters understanding and reduces resistance to change. Studies emphasize the importance of transparent communication channels and empathetic leadership styles to facilitate successful change implementation.

## **Resistance and Psychological Factors**

Change management often faces resistance from employees. Psychological factors such as fear of the unknown and uncertainty can contribute to resistance. Research suggests that involving employees in the change process and addressing their concerns can mitigate resistance and foster a more positive attitude toward change.

## **Flexibility and Agility**

The modern business environment is characterized by rapid changes. Organizations that incorporate flexibility into their human resource planning can respond more effectively to unexpected shifts. Agile planning allows organizations to quickly adapt their workforce to changing market conditions.

## **Technology and Data-Driven Approaches**

Advancements in technology have transformed human resource planning and change management. Data-driven approaches enable organizations to make informed decisions by analyzing employee performance, engagement, and turnover. Utilizing predictive analytics can enhance the effectiveness of both planning and change initiatives.

## **Challenges and Future Directions**

Challenges in the realm of human resource planning and change management include overcoming resistance, managing diverse workforce needs, and aligning change efforts with long-term goals. Future research could focus on exploring the impact of emerging technologies, such as artificial intelligence, on these practices, as well as investigating how remote work arrangements influence human resource planning and change dynamics.

## **Conclusion**

The literature underscores the interconnectedness of human resource planning and change management in fostering organizational adaptability and growth. Effective alignment, strategic integration, leadership involvement, and data-driven decision-making are crucial for successful outcomes. As organizations continue to navigate complex and evolving business landscapes, understanding the dynamics between human resource planning and change management remains essential for achieving sustainable success.

## **HR Analytics: -**

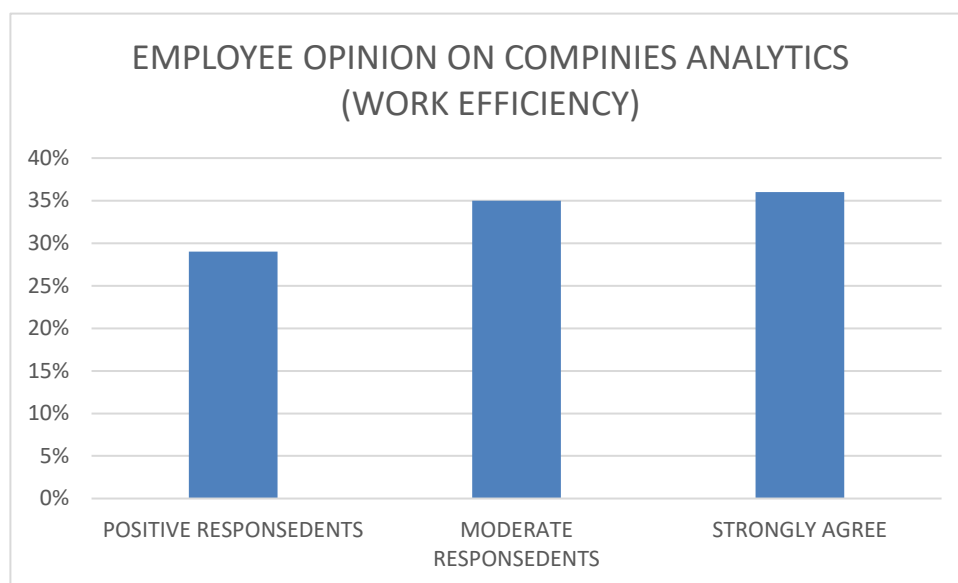
The perpetration of HR analytics in India requires a methodical and well-planned approach to ensure its effectiveness and integration into the association's HR practices. Ten's a step-by-step companion for enforcing HR analytics in India

1. Define objects easily define the objects and pretensions of HR analytics perpetration. Identify the crucial areas where data analytics can add value, similar as gift accession, hand engagement, performance operation, or pool planning.
2. Assess Data Readiness estimate the association's data structure and capabilities. ensure that HR data is accurate, comprehensive, and stored in a centralized system for easy access and analysis. Address any data quality issues and establish data governance protocols.

3. **Build Analytical Capabilities** Train HR professionals and applicable stakeholders on data analytics tools and ways. Develop logical chops within the HR platoon to insure they can effectively dissect and interpret data to make informed opinions.
4. **elect the Right HR Analytics Tools** Choose applicable HR analytics tools that align with the association's requirements and capabilities. pall- grounded HR analytics platforms or data visualization tools can help streamline data analysis and reporting processes.
5. **Set crucial Performance pointers (KPIs)** Define the crucial performance pointers (KPIs) that will be used to measure the success of HR enterprise. Ensure that the KPIs are aligned with the association's overall strategic pretensions and are applicable to each HR function.
6. **Pilot systems** Start with small- scale airman systems to test the effectiveness of HR analytics in specific areas. For illustration, conduct a airman design to dissect reclamation data and optimize gift accession strategies.
7. **Unite with IT and Data brigades** unite with the IT and data brigades to insure data integration, security, and sequestration compliance. Work together to develop dashboards and reports that give real- time perceptivity into HR criteria.
8. **Interpret and Communicate Findings** dissect the data and interpret the perceptivity to make data- driven opinions. Present the findings in a clear and terse manner to applicable stakeholders, including HR leaders and top operation.
9. **nonstop enhancement** HR analytics is an iterative process. Continuously review and upgrade the analytics approach grounded on feedback and changing business requirements. Regularly modernize the KPIs and criteria as the association evolves.
10. **Incorporate Predictive Analytics** As the association becomes further complete in HR analytics, move towards incorporating prophetic analytics to read unborn HR trends and identify implicit challenges or openings.
11. **Examiner and Measure Impact** Regularly cover the impact of HR analytics enterprise on the association's HR performance and overall business issues. Measure the ROI of HR analytics perpetration to demonstrate its value to the association.
12. **Foster a Data- Driven Culture** Encourage a data- driven culture within the HR department and the entire association. Empower HR professionals to use data to support their decision- timber and promote data knowledge among workers.

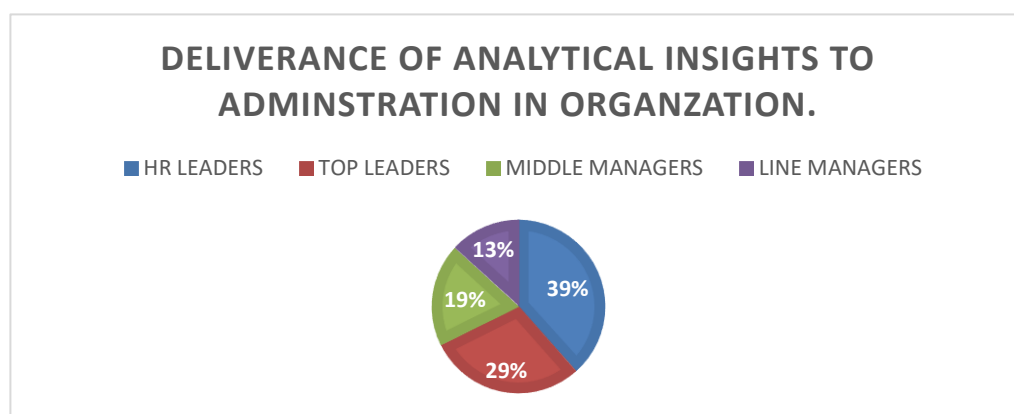
In conclusion, successful perpetration of HR analytics in India requires a combination of specialized capabilities, data readiness, stakeholder engagement, and a culture that embraces data- driven decision-timber. By following these ways, associations can work HR analytics to gain precious perceptivity, optimize HR strategies, and drive better issues for their pool and overall business performance in the dynamic Indian business geography.

**FIGURE-1**



This figure tells us about the, positive, moderate and partial agreed, mixed Reponses of the employees.

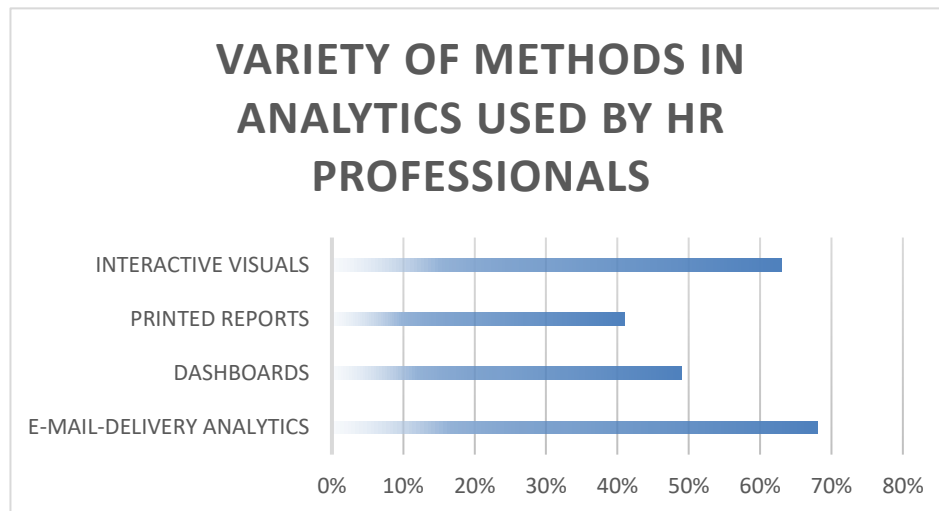
**FIGURE-2**



This figure tells us about the percentage of the deliverance of analytics of each managers, in the organization.

1. HR leaders
2. Top leaders
3. Middle managers
4. Line managers

**FIGURE-3**



This figure explains about the different kinds of methods used by the different HR professionals.

### **Conclusion:**

The Human Resource Planning and HR Analytics are two interconnected practices that hold immense potential in enhancing organizational performance. HRP enables organizations to proactively address talent needs and align human capital with strategic objectives, while HR Analytics empowers data-driven decision-making in workforce management. The integration of these practices allows organizations to predict future workforce requirements, optimize HR strategies, and gain a competitive advantage in the dynamic business landscape. As technology and analytics capabilities continue to advance, HRP and HR Analytics will play an increasingly vital role in shaping the future of talent management and organizational success.

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## Indian Logistics Industry

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### Abstract

The Indian logistics sector is expanding quickly, and it is a competitive market. Whether the logistics sector is able to help its customers lower their logistics and transportation costs and provide effective services will be determined by new service providers, technology, and infrastructure. Government policies, particularly those relating to taxation and service provider control, will frequently change, and this technique of cost reduction depends on those changes. For a multi-model logistics system to work in India, coordination between several government agencies necessitates a string of permissions from numerous individuals and ministries. In the SME sector, in order to provide value to their clients, Indian logistics is working to shorten cycle times. As a result, businesses are using improved practices and methods to improve their decision-making. With the aid of primary research, this paper offers a perspective on these problems and problems; I have also listed some of the major problems using secondary information gathered from a variety of journals, articles, and testimonies; and I have suggested some intriguing initiatives that some organizations are taking to compete through excellence in managing their logistics system. The technique used in this study combines in-depth analysis and research with direct conversations and on-site observations with a range of logistics-related organizations.

**Keywords:** Logistics Management, Supply Chain Management



## Introduction

The main goal of logistics management is to provide the desired level of customer service at the lowest possible cost by moving the supply chain effectively and efficiently. As a result, logistics management begins with identifying consumer demands and continues through fulfilling those needs through product supplies. Organizing, implementing, and managing the efficient, effective, forward and backward (reverse) flow and storage of products, services, and information between the point of origin and the point of consumption in order to satisfy customers' needs rather than their desires, is known as logistics management. A logistician is a specialist who works in the area of logistics management.

## Objectives of Study

- ❖ To study the performance of Indian Logistics industry with other countries and cost associated with it.
- ❖ To study the impact of Logistics industry on performance of other industry
- ❖ To study the Logistics cost associated in different industries.
- ❖ To study the transportation cost associated with different modes and their choice to choose mode.
- ❖ To study the role of global 3PL service providers in India.

## Methodology

By carrying out a methodical market research, the study's goal can be achieved. The systematic planning, collecting, analysis, and reporting of data and findings that are pertinent to the many marketing scenarios that the organization is experiencing is market research. The steps of the marketing research methodology used in this study are as follows:

### Defining the problem and the research objective:

The information required to address the issue is outlined in the research objective. The study's goal is to examine the factors influencing the growth of the Indian logistics sector and to compare it to those in other nations.

### Developing the research plan:

The next step after identifying the issue is to create a strategy for gathering the data required for the investigation. The current study used a descriptive technique, which required extensive data collection prior to drawing any conclusions.

**Collection and Sources of data:**

Both primary data and secondary data are necessary for market research. Secondary information was gathered from a range of publications and websites. Secondary data from sources including the World Bank, the CII, and other consulting firms is used to create this project report.

**Analyze the collected information:**

This entails transforming unprocessed data into insightful knowledge. Data tabulation using statistical metrics is required.

**Analysis and Interpretation**

Based on the unique needs of the customer, a logistics business manages and streamlines numerous procedures of moving goods from the place of origin to the site of consumption, including warehousing and transportation. Even after the COVID outbreak, the logistics companies have overcome numerous obstacles to continue providing on-time shipping to even the most remote locations and running their businesses despite supply chain disruptions.

**Strategies and execution of logistics:**

Transportation, packaging, inventory control, and warehousing are just a few of the logistics-related processes that must run well and are all interconnected.

**Freight brokers:**

Freight firms use one specific method of transportation, such as land transportation, air transportation, or another variety of transport options, to move products.

**3PL (third party logistics):**

The 3PL logistics company manages all aspects of the supply chain, including warehousing, inventory control, shipping, packaging, and aid with freight forwarding. The third party refers to outsourcing all facets of logistics, as the name suggests. In e-commerce, 3PL firms serve as fulfilment centers, managing returns and replacements as well as providing customization and last-mile delivery. With access to a wide network of carriers, it concentrates on cost savings and on-time deliveries.

Because there are less organized sectors in India, logistics costs are high. This is demonstrated by the cost of inventory holding, shipping, warehousing, packaging, losses, and related administration. However, organized sectors have a strong history. Japan, the USA, and Europe are also factors in the cheap cost of logistics.

Aviation, metal & mining, and consumer durables are the three major investment areas in Indian logistics businesses. Due to India's growing international trade, the aviation sector has a bigger proportion among these sectors. The cost of transportation is also higher, and it is rapid and safe for the movement of commodities internationally.

The cost of logistics is crucial to the expansion of industry. The cost of logistics and how it affects sales show the value of logistics across sectors. Since the cost of logistics is higher in the cement industry's sales than in other industries, this indicates that it is crucial to the sale.

### **Limitation**

The study is based on secondary information that academics published in books, journals, and newspapers. Researchers' released data occasionally cannot analyses current events, indicating that inadvertent errors led to the collection of inaccurate and outdated data.

When one chooses to pursue a specific subject, the time and expense plan plays a crucial role. The huge sample was not taken because of time and money restrictions. Therefore, additional images cannot be received, and the conclusion cannot be applied generally.

### **Conclusion**

By constantly enhancing customs, trade-related infrastructure, inland transit, logistics services, information systems, and port efficiency, the Indian logistics sector is able to deliver trade goods and services on schedule and at a reasonable price. India is ranked 39th out of 150 nations in the 2007 Global Logistics Report by the World Bank, both in terms of its recent performance and its potential moving forward.

Due to ineffective logistics services, the Indian logistics business performs worse than affluent nations like the USA, UK, and Singapore in the global logistics sectors, ranking top among low-income nations. India spends a bigger percentage of its GDP on logistics than Western nations do, at 13%. The primary cause is the system's comparatively high level of inefficiency, which is manifested in lower average trucking speeds, longer port turnaround times, and greater costs associated with administrative delays.

In comparison to established nations, India's logistics industry has a lower percentage of 3PL service providers and is still in its infancy. One of the factors contributing to the lower share of 3PL in India is the prevalence of multinational corporations using this service across all industries. Additionally, India's organized sector is less developed than that of industrialized countries, which results in greater costs for administration-related costs, loss, warehousing, shipping, and packaging.

Aviation, Metal & Mining, and Consumer Durables are the three largest investors in the Indian logistics industry. Additionally, India's logistics sector boosts the performance of other industries year after year, with the cement sector bearing the heaviest portion of the cost of transportation.

In India, roadways are a better form of transportation than other modes like water, rail, and sea because of the well-developed road infrastructure there compared to other domestic and worldwide markets. With increased domestic and international trade and extensive geographic coverage, road freight in India is growing. Railway freight also rises as a result of lower freight than on the road, but it covers some ground and is better for moving products over long distances. For international shipping, maritime freight also increases.

transport of commodities at a lower cost than by air but take longer to complete than air.

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## A Case Study of India's Agricultural Supply Chain

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### Abstract

Before reaching the market, agricultural products must go through a number of processes, including harvesting, threshing, winnowing, bagging, transportation, storage, processing, and exchange. As shown by numerous studies conducted across the nation, there are significant crop output losses at every one of these stages. According to a recent estimate by the Ministry of Food and Civil Supplies, Government of India, the total preventable post-harvest losses of food grains amount to roughly 20 million Mt, or 10% of the overall production, which is equal to the yearly production of food grains in Australia. Post-harvest losses of 20 million Mt annually are a significant preventable waste in a nation where 20% of the population is undernourished. In India, post-harvest losses of food grains account for 7–10% of total production from farm to market and 4-5% at the market and distribution levels, according to a World Bank research from 2022. These losses could feed between 70 and 100 million individuals—roughly one-third of India's poor—or the whole populations of the states of Bihar and Haryana combined for a year. Therefore, it is clear that post-harvest losses affect the economy's local and macro levels. The role of agriculture supply chain management, Agri food supply chain management, agriculture marketing in India, the market for agricultural products, APMC, contract farming, and private sector initiatives are highlighted in this article's critical review of the agriculture supply chain management situation in India.

**Keywords:** Agriculture, Agriculture supply chain management, Agri-food Market.

### Introduction

India is regarded as one of the oldest and biggest agrarian nations in the world due to its predominately rural population. Despite LPG and modernization, India remains depends on agriculture for most of its daily needs. The functioning of the agricultural sector affects every area of the economy, the political system, and

the majority of the population. The Indian economy's main sector continues to be agriculture, which accounts for around 14.5% of the GDP. Surveys have shown that about two-thirds of the Indian population depend on agriculture for their livelihood. Whether directly or indirectly, agriculture generates close to 54% of all jobs. The agriculture industry has performed well over the last three decades, growing at a 2.59 percent annual pace.

Given that it accounts for 17% of the country's GDP overall and employs more than 60% of the workforce, agriculture is a significant sector of the Indian economy. Over the past few decades, Indian agriculture has experienced significant expansion. The largest production of food grains since independence was 250 MT in 2011–12, up from 51 million tones (MT) in 1950–51. A crucial part of the global economy is played by agriculture. However, a variety of factors, including weather variations, the quality of seeds, cultivation techniques, market conditions, governmental regulations, technology, and the coordination and roles performed by supply chain participants, have an impact on the production of most agricultural products. Due to the lengthy lead times involved in producing agricultural goods, the situation is further exacerbated. It means that when the environment changes, it is impossible to modify the production plan. Despite all the issues, the quick growth has enabled Indian agriculture to establish itself on a worldwide scale. In terms of the output of different agricultural products including paddy, wheat, pulses, groundnuts, rapeseeds, fruits, vegetables, sugarcane, tea, jute, cotton, tobacco leaves, etc., India ranks among the top three countries (GOI, 2022-23). The lack of market linkage and integration, however, as well as the difficulty in getting farmers access to timely, accurate information about a variety of agricultural challenges are all issues that Indian agriculture continues to face on the marketing front.

### **Supply Chain Management**

How effectively activities are coordinated along the supply chain to add value for customers while also boosting the profitability of each link in the supply chain is the true test of a successful supply chain. The administration of the complete set of production, distribution, and marketing procedures via which a consumer is supplied with a desired product is known as supply-chain management (SCM). The integrated process of creating value for the final consumer or end user is known as supply chain management. SCM is a strategy for integrating all of a product's or service's lifecycle operations, from the initial raw material source to the final client and beyond to disposal. The horizontal or virtually integrated industry structure with tight connection between suppliers, manufacturers, and customers became more prevalent during the 1990s as the global competitive landscape changed. In order to obtain raw materials, transform these raw

materials into specific final products, and distribute these specific final products to retailers, a variety of different corporate organizations collaborate in a supply chain. The production and supply of components make up the supply chain, which supports both the manufacturing logistics chain and the distribution logistics chain. Organizational network that participates in the various processes and activities that create value in the form of goods and services in the hands of the final customer through upstream and downstream links. The supply chain companies are moving toward complex, cooperative value networks where the partners collaborate to solve problems, promote inter-firm research, and allocate risks and rewards. Companies like Zara, Dell, Procter & Gamble, and Toyota are examples of companies that embody these types of ideals of accomplishment and have benefited from using their supply chains as a competitive advantage.

Building trust, communicating market demand information, creating new products, and narrowing the supplier base to a specific OEM (original equipment manufacturer) are all goals of supply chain management. This frees up management resources for forging meaningful, long-term relationships. Supply chain management includes managing materials and supplies from basic raw material supply through finished product (including potential recycling and re-use). The focus of supply chain management is on how businesses may use the capabilities, processes, and technology of their suppliers to gain a competitive edge. It is a management concept that broadens the scope of customary intra-enterprise activities by bringing together trading partners to achieve a common objective of efficiency and optimization. According to the well-known "move to the middle hypothesis", businesses will establish a small number of stable partnerships with their suppliers. The function of the middleman in the redesigned supply chain raises an intriguing topic. According to intuitive thinking, the advent of an online marketplace should result in disintermediation by connecting buyers and growers directly. The middleman assumes a significant role. This is in line with current research on integrated supply chains, which suggests that the function of the middleman in electronic supply chains has changed. Hajjdiab and Talab discuss the creation of agile software to improve the responsiveness and traceability of the supply chain. To make the supply chain more traceable, Boschini et al. place a strong emphasis on leveraging IT tools and web services in cooperative practices. The use and implementation of RFID in the supply chain is discussed by Laosirihongthong et al., Schuster et al., Gaukler, Brandrup et al., and Myerson to improve collaborative processes and boost inventory visibility and traceability throughout the whole supply chain.

The necessity of viewing the entire procedure as a single system is a crucial component of supply chain management. To ascertain the genuine capabilities of the process, any inefficiencies experienced throughout the supply chain (suppliers, production facilities, warehouses, customers, etc.) must be evaluated. Although "total" integration of all the business entities within the supply chain is emphasized in supply chain management theory, a practical approach is to just take into account strategic suppliers and consumers because most supply chains are too complex to achieve full integration of all the supply chain members.

### **Agri Business**

Since Goldberg and Davis's initial definition of the term in 1957, the idea of agribusiness has been gaining academic and professional acceptance. They defined it as "the totality of operations involved in the manufacture and distribution of agricultural supplies; agricultural production activities; and the storage, processing, and distribution of agricultural commodities and the products derived from them." According to this definition, agriculture is a sector of the economy that encompasses much more than just growing crops and caring for livestock. Despite the constant industrialization and tertiarization of developing countries over the past forty years, agriculture-based activities continue to be their mainstay.

If developing nations could effectively manage their resources to take advantage of the new opportunities, recent trends in globalization and the integration of the global consumer market offer additional opportunities for the growth of the agribusiness and food industry globally. However, a number of difficulties are probably going to come along with the potential opportunities.

The importance of agriculture and agriculture-based businesses is increased by the fact that a significant section of a country's population depends on agriculture for a living, either directly or indirectly. Such economies also have a comparative edge in industrialization based on agriculture. As a result, agribusiness-led growth stands a fair chance of helping these nations' economies grow steadily.

### **Agriculture Supply Chain Management**

In Europe and the USA, interest in supply-chain management (SCM) in agribusiness increased during the 1990s. The tendency toward organizational consolidation (at the level of agricultural input, farms, processors, and supermarkets) as well as government deregulation of agribusiness markets were the main driving reasons. Along with an increase in market competition, interest in quality-management systems and food safety was rising due to the increased trade in agriculture products.

Urbanization and dietary changes are driving a change in demand, and production and marketing strategies are adapting. Horticulture government-sponsored programs produce more jobs than cereal cultivation, but



with inconsistent results. In addition to direct government involvement, new sharecropping and contractual arrangements between private traders and farmers are developing (Priyadeshingkar). Additionally, the agro-industry creates a new need for the farm sector in terms of additional and various agricultural outputs that are better suited for processing.

SCM entails managing the interactions between the companies in charge of the effective production and supply of agribusiness products from the farm to the consumer in order to consistently satisfy consumer demands for quantity, quality, and price. Integral management of business connections, transactions, and internal business processes are necessary to satisfy client demands. Taking care of these connections gives you the chance to openly bargain over who gets to share the value created by the chain's members. More importantly, it is possible to plan collaborative initiatives jointly in order to increase shared value. The latter stands in contrast to the Agribusiness providers and purchasers frequently disagree about who gets what proportion of the value created.

Participants in the volatile agricultural supply chain could only manage and mitigate risk in an effective manner if their root causes were precisely identified and described. Despite a high farm output, India's agricultural situation is dismal and raises more concerns than it does solutions. The inefficient supply chain that results in the transportation of the produce from the farm to the final customer is the cause of many of these questions.

However, there are difficulties in the supply chains of several agricultural commodities in India because of the sector's underlying issues. Different sartorial difficulties, like as the predominance of small/marginal farmers, fragmented supply chains, the absence of scale economies, low levels of processing/value addition, inadequate marketing facilities, etc., affect the country's agro supply chain system. A crucial part of the global economy is played by agriculture. However, a lot of external elements, such as weather variations, the quality of the seeds, and cultivation techniques, have an impact on the production of most agricultural goods that the supply chain participants cannot fully control. The fact that agricultural product production has a lengthy lead time adds to the difficulty of the scenario. It means that when the environment changes, it is impossible to modify the production plan. When starting production, agricultural product manufacturers lack market knowledge and lack confidence in the quality of the finished product. In the uncertain climate, they are more hesitant to decide what to produce and how much to generate. Then, overproduction and underproduction of agricultural products are common in the agricultural market, which hurts the supply chain's profitability and dampens the members' excitement. An important area of discussion in supply chain

management is how to minimize the effects of variations and distribute the risks faced by supply network participants. A significant problem in supply chain management research has been supply chain coordination. Supply chain contracts are legal arrangements that control the pricing and exchange of goods and services among independent supply chain participants. The demand and supply risks may be effectively shared and the decentralized supply chain can be better coordinated with the use of well-designed supply contracts. It is well known that cooperation between the retailer and the supplier can enhance the effectiveness of the supply chain as a whole. Numerous well-known contract types, including buy-back, revenue-sharing, quantity flexibility, sales rebate, two-part tariff, and quantity discount, have demonstrated their ability to synchronize the supply chain. The study was divided into five main areas to better understand the framework and significance of supply chain management in the agricultural sector. Agri food supply chain management, agriculture supply chain management, section III supply chain management, section IV agriculture marketing in India, and section V market place for agriculture products discuss the role of APMC, contract farming, private sector initiatives, and information services. Section I discussed supply chain management.

### **Agri -food Supply Chain Management**

Despite the fact that India's agriculture sector produces one-fourth of the nation's GDP and employs around two-thirds of the population, the food processing industry alone now accounts for 6% of the GDP. The amount of processed food produced in the nation is less than 1.6%, compared to 65-75% in places like Thailand, Malaysia, and Brazil.

The management of India's Agri supply chains is currently changing to adapt to the new marketing realities brought about by the wave of globalization and other internal changes, such as an increase in consumer disposable income and a shift in the consumer's food basket toward high-value items like fruits, vegetables, and animal protein. The government agencies are now pursuing various legal reforms to enable and invite private investment in agricultural marketing infrastructure, removing entry barriers to encourage coordinated supply chains and traceability, in response to the country's new agricultural economic challenges.

India now has the chance to sell agricultural and food goods to other countries thanks to the liberalization of trade under the post-WTO environment. Food processing has increased at a pace of 7.1% each year during the past ten years.

India's food supply system is very disorganized. There are a staggeringly large number of intermediates in the system. These intermediates are crucial because they provide as infrastructure where none is there. But

as time has gone on, a layer of middlemen has developed, the majority of which offer little value to the produce but greatly increase the overall cost. According to the Food and Agricultural Organization of the United Nations (2008), India produces 10% of the world's fruit.

Supply chain management (SCM) in agribusiness refers to controlling the interactions among the organizations in charge of the effective production and distribution of goods from the farm level to the customer in order to consistently satisfy consumer demands for quantity, quality, and price. This frequently involves managing both horizontal and vertical alliances as well as the interactions and procedures between businesses.

Wholesalers are intermediates and a key component in the logistical chain for retail vegetables in the conventional business model. Generally speaking, the neighborhood wholesale market is a necessity for all shops. Poor transportation infrastructure, a lack of large-scale cold storage, a lack of clear government policy guidelines, and dispersed and small farmers are the main obstacles. Producing fruits and vegetables for processing creates a lot of jobs but also improves the farmers' gross and net returns.

Parallel to the developments at the consumer level, changes in the macro environment were also taking place. These included a tendency toward organizational consolidation (at the levels of farm input, farm, processor, and supermarket), primarily to reduce production costs through economies of scale, but also to increase market share and competitiveness in a more globally interconnected market. The deregulation of agribusiness markets as a result of government withdrawal from marketing in various nations was also a result of preparations for international commerce. This gave rise to the chance to reconsider the company's business strategy and establish new supply chain connections.

Traditional supply chains in developing nations can have a large number of participants and are closely connected to ingrained societal institutions. As developing nations join WTO agreements, their agricultural sectors will face more competition in local markets and have stronger incentives to adhere to international norms in export markets. SCM offers one method for organizing the changes in their agricultural production and marketing systems that are required to handle upcoming problems. (Elizabeth). According to OECD-FAO projections, the agricultural production will need to expand by 60% over the next 40 years to keep up with the growing demand for food until the world population reaches 9 billion in 2050. By 2050, production levels must increase by one billion tons of cereal and 200 million tons of meat per year in comparison to 2022–2023 levels.

Traditional agriculture and food companies that had placed a major emphasis on price were ill-prepared to meet a variety of evolving consumer needs. They lacked the tools necessary to perform efficient customer service on their own. Each one only represented a small portion of the procedures necessary in producing an agriculture product, transporting it, processing it, and selling it to consumers.

Long existing supply chains are dominated by a number of middlemen, including retailers, commission agents, sub-wholesalers, wholesalers, and assemblers. According to Gandhi and Namboodiri (2020), farmers only receive one-third to one-half of the final price when selling fruits and vegetables, which indicates significant marketing expenses and margins (BIRTHAL et al. 2021). According to the marketing expenses account for about 20% of the price at which veggies are sold. 15-20% of milk's marketing expenses are expensive as well (BIRTHAL et al. 2022; 2023). Farmers' inability to participate in marketplaces is a result of high marketing and transaction expenses. By putting markets at the farmers' doorsteps, organizations like cooperatives, growers' groups, and contract farming are thought to lower marketing and transaction costs as well as hazards (Eaton and Shepherd, 2022).

The agri-food supply chain is described by Lowe and Prickle as having extended lead times, misalignment, and uncertainty between their supply and demand. 30% of India's vegetable and fruit production is lost due to waste and inefficiencies in the food supply chain.

Periodic food shortages that affect Indians' everyday nutrition are caused by an inadequate supply network.

The number of participants is the primary distinction between the two types of supply chains in this.

The typical supply chain has a high number of intermediates, which leads to high levels of waste and high transaction costs. The fundamental issue with this supply chain is that there are too many middlemen in the value chain, which raises transaction costs. Only 30–35% of the final price goes to the fruit growers, with the remainder going to various intermediaries. Fruit and vegetable wastage accounts for 10-12% of the overall quantity due to the long and dispersed supply chain, which raises the risk of price hikes for customers. Vegetable retailing traditionally is not well organized; 97% of the market is highly localized, fragmented, and there are numerous middlemen. In addition to the expense of transportation, the lengthy transport process from the producers to the final customer results in total loss of 10-12%.

### **Agriculture Marketing in India**

India is a country that relies heavily on agriculture. Due to the varied agro climatic conditions, a variety of crops are grown all year long. These products are being marketed and are being transferred from the producer

to the consumer. Additionally, services like grading, standardization, packing, transport, and storage are part of the marketing process.

Smallholders make up the majority of farmers in India; 86% of agricultural households own less than 2 hectares of land. Smallholders' access to markets, a lack of finance, inputs, technology, and other constraints are frequently cited as obstacles to their expansion into high value agriculture. Although smallholders contribute significantly to food production, their ability to access markets is limited by their size.

Since local markets have limited supply and sales in far-off metropolitan markets incur higher transportation and marketing expenses, their marketable excess is little.

It is thought that insufficient marketing infrastructure and ineffective marketing channels are to blame for both the high and variable consumer pricing as well as the fact that too little of the consumer rupee reaches the farmer. Indian farmers often rely significantly on middlemen, especially in the marketing of fruits and vegetables. The middlemen dominate the market but offer little value while the producers and the customers frequently get the short end of the stick. Massive amounts of waste are produced, the quality degrades, and demand and supply frequently diverge over time and space.

The operational environment of the food and agricultural sectors has changed significantly, which has increased interest in SCM. Food suppliers later realized that meeting customer requests was essential to their success in the market. Only integrated supply chain management, from the farm to the retail shelf, can meet consumer demands. Numerous examples from the food business show how strong, mutually beneficial connections may improve the effectiveness of a supply chain, boosting both innovation and competitiveness. With several intermediaries and physical handling, the current supply chain connecting farmers to both organized and disorganized retail is incredibly inefficient. As a result, there are significant losses—nearly 30%—and the farmers receive less compensation. For the Indian retail channels, there is no supply chain integrator or channel master. The poll, which was conducted by KPMG, supports the claims made above. Until the supply chain is made integrated, effective, and customer-centric, Indian retail cannot remain competitive.

### **Market place for Agriculture Products**

The principal agricultural marketing law of the country, the revised APMR Act, which is being implemented by the several states of India, now incorporates enabling measures to encourage contract farming, direct marketing, and the establishment of private markets (formerly outlawed). These actions will go a long way toward giving small businesses economies of scale and creating direct connections between farmers and

processors, exporters, retailers, etc. In order to develop integrated supply chains for various agricultural products in the nation, the policy would thus offer both backward and forward linkages.

India's agricultural markets are governed by model APMC Acts. As of March 2010, there were 7,157 regulated (secondary) agricultural markets, up from just 286 in 1950.

Additionally, there are roughly 22,221 rural periodical markets, 15% of which operate under APMC jurisdiction. The National Farmers Commission recommended that markets be accessible within a 5 km (about 80 sq km) radius.

Agriculture marketing is a state responsibility under the Indian Constitution; hence each state has its own legislation for the regulated market yard known as a mandi or an APMC market. The entire geographic area is separated into "Market Areas," each of which is overseen by a Mandi committee and subject to the APMC Act. The APMC Regulation applies to 7161 of the 7310 wholesale marketplaces in the nation. Through this network of Regulated Markets, organized agriculture marketing is supported by the APMC Act. Farmers must transport their goods to the APMC market yard in order to sell them. Markets are created to be regionalized and fragmented under the APMC systems, which goes against the fundamentals of an organized market place.

To allow farmers and traders to store, sort, and test the items for quality standards, these market yards must have the necessary infrastructure. However, most marketplaces lack these infrastructures, and the services provided to farmers are infrequent. APMC market regulations provide that goods brought by farmers for sale must be kept open on the auction floor where purchasers can bid in the presence of APMC officials and commission agents, with the highest bidder having the right to buy. However, in practice, farmers must accept the price that is being offered by purchasers because they are unable to afford to take back the product in the lack of storage facilities due to the expense and time involved.

The supply chain management and commercial methods for the agricultural markets in India are particularly ineffective. At India, farmers typically sell their produce at the village, primary or secondary agricultural markets, or in the rural/primary market. Agricultural produce market committee (APMC) Act restrictions on competition, lack of access to regulated markets, and the absence of a national common agriculture market are the three main issues that supply-chain management and agribusiness in India must deal with.

These are problems that affect the various supply-chain and agribusiness model operating channels. These channels include producer-consumer, producer-retailer-consumer, wholesaler-retailer-consumer,

commission agent-wholesaler-retailer-consumer, producer-village merchant-wholesaler-retailer-consumer, and producer-wholesaler-retailer-consumer.

There is no other way for a producer to sell their produce than on regulated markets. The current mandi system has a large amount of value loss and several intermediaries. Private participants were not permitted to build up a market until a few years ago when agricultural commodities were SCM through NSEL. Companies were not allowed to purchase directly from farmers due to APMC regulations. The purpose of the APMC laws was to guarantee fair prices for farmers through an open auction system, but instead, they have led to a monopolistic situation as follows: Private mandis were not permitted; only the government was allowed to build APMCs.

Farmers may only be purchased from by merchants who have obtained an APMC license; other traders or corporate entities are not permitted to do so.

The development of a structured framework for the marketing of agricultural products can be facilitated by the establishment of an electronic, transparent spot market at the national level. Government has always been concerned with effective marketing and paying farmers fairly. The government recommended the model APMC Act to all the states and suggested changes to the current Acts in an effort to enhance marketing services and take advantage of technology. The electronic market place and private market yards that are included in the Model APMC Act were not previously available. Some states have revised the Act to add a private market and electronic spot exchange to the already-existing APMC market. All states have not yet adopted the Model APMC Act. Some states just adopted portions of it. States that have implemented the model APMC Act's provisions for the establishment of private markets and electronic markets have given licenses to electronic commodity spot exchanges.

NSEL is a distinctive, admirable, and cutting-edge idea that has the ability to have an impact on agriculture firms that, on the one hand, purchase the commodities from the market through numerous intermediaries. On the other hand, by offering better prices for their produce, it has the potential to transform the lives of millions of farmers.

The goal of the electronic spot market is to lower intermediary costs, assist buyers in lowering procurement costs, and provide incentives to farmers in the form of better prices. NSEL offers a platform for electronic trading. It also makes borrowing against warehouse receipts and providing collateral easier by formalizing institutional ties with numerous financial institutions, such that farmers, consumers, or the owner of the good may easily get low-cost formal finance. Through electronic commodity spot exchange, all the key

components of the supply chain management of agriculturally based commodities are integrated, which benefits the businesses in terms of cost savings, improved planning and procurement methods, and the availability of credit against inventories. As a result of NSEL's better supply chain management, even the tiniest farmers now have access to the national market, which has societal benefits. The national level market may be accessed by even the most marginal farmers because to this supply chain's efficiency.

### **Contract Farming**

One of the most important and effective ways for farmers to be included in local, regional, and global commodities and agro-industrial markets is through contract farming. The type and structure of contract farming systems vary greatly from nation to nation, but a key component is the vertical concentration of producers, which allows the states to try and regulate the farming community's production patterns. The supply chain of fresh agricultural products is one area of research-related literature. The contract procedures between suppliers and retailers in the agricultural seed sector were studied by Samuel et al. Wang and Chen integrated options contracts into the supply chain for fresh fruit while taking into account the significant circulation losses in both quantity and quality. Cai and co. a supply chain is one where a producer of fresh goods sends their goods to a distant market through a specialized third-party logistics (3PL) company, where a distributor buys and sells them to end users.

Contract farming is also quickly growing in India. One example is the Kuppam project, which was started in 1997 by an Indian company (M/S BHC Agro) with assistance from the Andhra Pradesh government. Export commodities including potatoes, gherkins, and chilies are raised employing pricy imported Israeli dry land agricultural technologies. Small and medium-sized farmers who are offered work as laborers on the consolidated holding controlled by the firm are the ones who lease the land.

The use of contract farming is widespread across the nation, and businesses are forming coalitions with state governments to use it. Taking the government of Madhya Pradesh and HLL's joint venture effort to grow wheat as an example. 250 acres of wheat will be grown as part of a project that was began a few years ago. Now at about 15,000 acres, the area has grown. The aggressive policies of some state governments are what are promoting contract farming investment from the business sector. States that are promoting contract farming include Punjab and Uttar Pradesh. The Agriculture Produce Marketing Committees (APMC) rule, which required that all farm produce be maintained with mandis, was recently changed by the Uttar Pradesh government. This amendment now allows corporations to buy products directly from farmers. Punjab has also changed a related regulation.



### **Private Sector Initiatives**

commercial farming According to the National Agriculture Policy of the Government of India, contract farming and land leasing arrangements will be used to encourage private sector involvement and enable accelerated technology transfer, capital inflow, and market assurance for crop production, particularly for oilseed, cotton, and horticultural crops. This program includes a number of initiatives. Two of them are mentioned over here. A partnership between the farmers and Hindustan Lever Ltd (HLL), Rallis, and ICICI was formed. In accordance with this partnership, Rallis provides agricultural inputs and expertise, and ICICI finances (farm credit) the farmers. The buy-back arrangement for the farm output is provided by HLL, a processing company that needs the farm output as a raw material for their food processing industry. In this arrangement, farmers gain from a guaranteed market for their produce as well as timely, adequate, and quality input supply, including unrestricted access to technical know-how; HLL gains from the efficiency of the supply chain; Rallis and ICICI gain from a guaranteed customer base for their goods and services. Pepsi Foods Ltd. (hereafter referred to as PepsiCo) entered India in 1989 by establishing a \$22 crore state-of-the-art tomato processing factory at Zahura in the Hoshiarpur district of Punjab. This was part of PepsiCo's expansion into the Indian agro-business market. When productivity gains, new options for farmers, and the adoption of cutting-edge technology are taken into account, the PepsiCo model of contract farming has been a resounding success. The business concentrated on creating in-depth extension services and research tailored to the region and intended produce. So that was Punjab farmers' production method saw a significant transformation that helped them achieve their goal of supplying their processing facility with the correct products at the right time in the necessary amounts [contract farming ventures 2022].

### **Findings**

According to the review, the agricultural marketing industry is characterized by a fragmented supply chain, significant post-harvest losses, and numerous market intermediaries. High transaction costs, a lack of awareness, and a number of other socio-economic factors are some of the serious issues that Indian agriculture is currently dealing with.

The government is taking steps to recognize the value of farmers. The agricultural industry's foundation is made up of agricultural produce, initiatives to reduce food waste, facilities for storing goods, channels and markets established to reach the final customer, and effective supply chain management.

## Conclusion

The literature analysis led to the conclusion that improving the following components leads to a better model of agricultural supply chain management, which aids in resolving the nation's and the world's food crisis.

- Effective agricultural markets depend on information. Accurate price and other market data are readily available, which helps market participants better plan and coordinate their production and trading activities while lowering risks and transaction costs. Although there are parts of market information that benefit the public, most efforts to establish public sector market information systems have been unsuccessful since most systems lacked commercial utility and were unsustainable.

- Stable markets contribute to the advantages of well-coordinated supply chains, which can lead to more profitability and more jobs. Coordination of the supply chain can: Give producers access to new markets, improving their capacity to balance supply and demand.

Make information on technology, financing, and market demands for qualities and quantities available to producers and small businesses.

Increased quality and safety control over products through certification, tracking, and tracing.

Share risks across chain participants, particularly for significant investments.

Reduce lead times and product losses for perishables by collaborating on supply planning.

Offer a way to combine manufacturing, fostering the growth of economies of scale.

Increase employment through increased engagement in activities that add value. (May 2023 Agriculture Investment Sourcebook, available at [www.worldbank.org/agsourcebook](http://www.worldbank.org/agsourcebook))

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# **A Study on Trends in Advanced Marketing Strategies**

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## **Abstract**

This paper explains about advanced marketing strategies. As businesses continue to evolve and adapt to the changing landscape of the digital age, marketing strategies have also undergone considerable changes. Advanced marketing strategies have become more important as competition grows and businesses seek to stand out from the rest. A marketing strategy is a long-term idea for achieving a company's goals through customer understanding and the creation of a distinct and sustainable reasonable advantage. Marketing strategies are very significant to any business organization in order to achieve business goals. Different organizations used diverse marketing strategies and it depends on their business. This study mainly focuses on how they used marketing plans and suggestions were indicated.

**Keywords:** Marketing, Strategy, Digital age, Goal.

## **Introduction**

Advanced marketing strategies are inventive methods to marketing that include social media, influencers, events, advertisements, emails, and data. The marketing is always evolving, with new methods, techniques, and opportunities rising all the time, and we can see uncountable examples of this throughout history, as marketing specialists moved from TV and print ads of the past to digital crusades of all kinds in the 21st century. Leading firms across many industries not only embrace new marketing approaches but also testing with advanced marketing strategies to set themselves separately from the opposition. Marketing strategies tailored to specific business goals and tend to be unconventional.

This research looks at some of the better advanced marketing strategies being used by some major firms. It contains explanations of how each advanced marketing strategy mechanism works and real-world examples. Advanced marketing strategies are important for businesses in today's fast-paced, digital landscape. Reviewing the literature on advanced marketing strategies exposes the latest trends, techniques, and best observes in marketing.

### **Scope of The Study**

This study is helpful in understanding about advanced strategies of marketing and technological development. Current situation for all the company all over the world. So, it is very essential to find the way to survive the company. This research is important because it's showing importance of marketing strategies to survive the company and make succeed in the market during the recession economy. Identification of need and preference of the potential consumer, analyzing consumer's behavior to marketing mix strategies, business environment, and competitor's marketing processes in order to plan the marketing activities of future efficiently. Consumer satisfaction is also a vital part of marketing management.

### **Review of Literature**

- **Vivekananda and Awasthi, (2019)** concerns privacy and the ethical use of customer data have been a focus of research. It is essential for marketers to strike a balance between personalization and data protection to maintain consumer trust.
- **Steenkamp et al. (2003)** analyzed the reaction of competitors in other's price-promotion and advertising attacks by performing a large-scale empirical study on the short-run and long-run reactions to promotion and advertising attacks in over 400 consumer product categories, over a four-year time span.
- **Pauwels, Silva-Risso, Srinivasan and Hanssens (2004)** contrasted investor reactions to auto companies. New-product introductions vs. price promotions over a five-year period. They found that new-product introductions have a gradually increasing influence on stock price.
- **Porter (1985)** examined that low cost, differentiation and focuses these three type competitive strategies. Low cost strategy, a firm set out to become the low-cost player in the industry.
- **Shama (1978)** described that customer change their buying patterns under economic hardship and stress. Different company affect differently by recession, so think about company pattern of business, size and profit marketing manager change marketing policy and make profit in recession economic environment.

## Objectives of the Study

- To study about the Advanced marketing strategies
- To analyses the merits of the new technologies in marketing
- To understand the developments of marketing field
- To evaluate the current trend in consumer behavior

## Research Methodology

The present study depends on secondary sources. The secondary sources were collected from books, published reports, journals, articles and from the internet.

### 1. Personalization

Personalization is a powerful tool in marketing. Consumers are more likely to buy from a business that provides personalized experiences. This can include things like personalized product recommendations, personalized email campaigns, or personalized social media campaigns, which can increase engagement and loyalty among customers.

### 2. Influencer Marketing

Influencer marketing is the practice of partnering with influencers in your industry who have a following and are respected by your target audience. These influencers can help you promote your brand and products to their followers, who are more likely to trust their recommendations, which can result in increased sales and brand awareness.

### 3. Content Marketing

Content marketing is another advanced marketing strategy that involves creating valuable and informative content that resonates with your target audience. This content can be in the form of blog posts, whitepapers, videos, or social media content, and can be used to build brand awareness, educate your audience, and generate leads.

### 4. Retargeting

Retargeting is a marketing strategy that involves targeting users who have visited your website but haven't made a purchase. This can be done through display ads or social media ads, which can help bring them back to your website and encourage them to buy from you.

## **5. Account-Based Marketing**

Account-based marketing is a targeted marketing strategy that involves identifying high-value accounts and tailoring your marketing efforts to them. This can involve personalized campaigns, content, and messaging, which can help you build deeper relationships with your target accounts and increase your chances of closing deals.

## **6. Artificial Intelligence**

Artificial intelligence can help businesses automate their marketing efforts, making them more efficient and effective. AI can be used for things like predictive analytics, personalization, chatbots, and lead generation, which can save businesses time and money while increasing their ROI.

### **Advanced Marketing Strategies Used by Experts Today**

#### **1. Add value to your products**

A great product is one of the most effective marketing strategies you can use in your business. Your product can act as a marketing channel without spending extra resources on advertising mediums. Adding worth offers extra motivation to existing clients also fascinates potential buyers effortlessly.

#### **2. Improve value of your content**

Content forms the largest percentage of marketing strategies in online channels. Quality and valuable content increases brand visibility, website traffic, and ensures healthier search engine rankings. Moreover, valuable content obtains more social shares, which increases your social proof and complete traffic to your website.

#### **3. Utilize influencer marketing**

If one spent tons of resources on pay per click (PPC) campaigns, AdWords, and other marketing forms without tangible results, influencer marketing could work for them. Influencer marketing is a method of social media marketing where products or services get mentions or endorsements from experts.

Influencers have earned a level of trust from huge followings. Brands harness this faith to get some level of approval or social proof on social media. The new social proof is useful in revealing new markets, audiences, and demographics with the goal to change them into buying consumers.

#### **4. Optimize your social media**

Social media remains a good platform to improve your marketing strategies. Internet handlers rely on social media to determine new products and services, in addition to entertainment and new trends.



**Merits of Advanced strategy marketing**

- Growing your business
- Managing your reputation
- Earn trust
- Learning the market place
- It's cost-effective
- It lets the customer come to you

**Latest trends in marketing****Reengineering**

Reengineering is a procedure of appointing tips to manage client value building processes and trying to break walls between departments

**Out sourcing**

Out sourcing is a process in which the company has greater willingness to buy more goods and service from outside belabors when they can more cheaply and better this way.

**Customer share**

The present of those who purchase the item of interests from the given form is known as customer share.

**Bench marking**

Bench marking is a process in which a firm studies the best practices companies to improve their own performances.

**Meta market**

Concept of Meta market describes cluster of complimented products and services are closely related in the minds of customer but are spread across the diverse set of industries.

### **Multi- Attribute Segmentation**

Marketers no longer talks about average consumer or only few market segments rather, they are increasingly combining several variables in afford to identify smaller better define target groups.

### **Technology and marketing**

Increasing demand for both trending and traditional services drives development of the service sector, resulting in service becoming the essential economic and marketing activity in most advanced economies. The service sector raises steadily in its contribution to the gross domestic product in almost every country and accounts for most of the growth in new jobs Marketing practice continually familiarizes to the increased demand for service.

The significances of technology improvements such as the internet or scanner data for research in marketing were typically unforeseen only a few eras ago. The use of computers in marketing research began in the early 1960s and, since then, innovative methods of data collection and analysis help researchers to be more productive The use of computers brings new sources of information, new uses of advanced technology, and emphasizes speed and accuracy, which together Marketing has entered a new era and mainstream marketing in the new era focuses on offering services suited to the customer and on the use of information to build relationships with customers. Advances in information and communication technology impact the way marketing is done and the way research is conducted. Marketing practice is centered on the customer now, rather than on the product. Companies are capitalizing in relationships with their clients and offering value to clients. The most significant result of technological advance is the growing impact of information technology, resulting in the increasing importance of service and relationships in the economy. Future improvements in marketing are likely to build from advances in technology and relating enhancements in communicating, storing, and processing information about clients.

### **Impact of Voice Searches**

Smart automation technology is rising fast in the retail segment and could soon make a deep imprint in B2B marketing. A review by ThinkWithGoogle.com has exposed that voice search is utilized by at least 27% of the world's consumers. 46% of these are conducting daily searches. Voice search is a suitable method of finding out all the info you need. Using it in your business marketing strategies could offer fast access for your upcoming contacts.

## **Online Content**

Making informative blog posts is already an important marketing tool for all business irrespective of size. In the competitive world of B2B marketing, it can be even extra effective.

OptinMonster has accumulated statistics that reveal B2B marketers with effective blogs obtain 67% more conversions than rivals who don't blog. 72% admit blogging as the influence behind their SEO operations. However, fetching, original content is an absolute priority. It's the only way to increase your brand's reputation as a trustworthy authority. Conferring to Buffer.com, your SEO strategy is best effective when a blog post is around 1,600 words in length.

## **Micro-Influencers are Gaining Ground**

Data by InfluencerMarketing.com revealed that during 2021, influencers generated \$13.8 billion in sales. 2022 is expected to see their input cultivate to \$16.4 billion. Can your business have enough money to neglect this aspect of gaining more client? Luckily, any business can join in this rising technological trend as it's not the celebrities that are making the largest impact. Reasonably unknown micro-influencers have been producing headlines on social media podiums such as TikTok. There is no longer need to pay for celebrity endorsement. Simply need a great service or product and an attractive personality to get your communication across.

## **Prioritize Messaging Apps**

Businesses have usually relied on professional platforms such as LinkedIn for making regular contacts and sales. However, nothing stands still online. Messaging apps have begun to be big news, they work in a similar format to an online chat room. One can make fast development by posting a message and receiving an immediate reply. Data composed by BusinessInsider.com has exposed there are four key messaging apps such as Facebook Messenger, WhatsApp, Viber and WeChat. Most meaningfully, they have a greater number of users than their four big rivals on the old-style social media platforms of Twitter, Facebook, LinkedIn and Instagram. In a B2B scenario, messaging apps seems to be an unstoppable technological trend.

## **Be Smart with Personalized Content**

Marketers have trusted for years on tailoring adverts to the exploration activity of online people. Technological advancements are now moving beyond these confines by using personalized content. Powerful software as a service (SaaS) monitors client's searches. It is then capable of offering targeted info such as detailed blog posts instead of waiting for visitors to search for them. Smart SaaS is easy to include

into management system. As a marketing tool, it is a valuable business asset, helping to increase visitor interest by personalizing products or services.

### **Making the Most of Mobile Usage**

The mobile phone revolution continues relentless online and has now been creating great progress in B2B marketing. Conferring to Think with Google, B2B businesses have increased phone usage in current years. It is a suitable on-the-go tool that's instantly accessible. Google's statistics continue to note that 63% use their smartphones to purchase products that have been specifically tailored to their recent searches. Capturing customer's attention is easier if site has a mobile-friendly format.

Technological trends are vital in B2B marketing. They are most effective when they complement each other. Incorporating smart, personalized content, AI and a mobile-friendly policy is an ideal way to use technology efficiently. Messaging applications, micro- influencers, and high-quality content and voice searches can combine to become a powerful force in your marketing campaigns. These technological trends can aid you effectively improve your marketing strategies to overtake your competitors.

### **Role of Artificial Intelligence in Marketing Trends**

In many streams, AI still appears to belong to the realms of science fiction, yet it's steadily making improvement in marketing. Small companies, plagued by shortages of trained personnel and time, are expecting AI to compensate for their shortages. According to the report, State of Marketing by Drift, 42% of consumers are unaware of being attended to by chatbots. This advanced software can emulate human conversation and it's reassuringly lifelike. It is ideal for providing the solutions to the common questions posed by your business associates. It can be on duty 24/7, empowering your business to remain constantly active.

Artificial Intelligence (AI) has emerged as a disruptive force across various industries, and marketing is no exception. In recent years, AI technologies have revolutionized the way businesses approach marketing strategies, customer engagement, and data analysis. This research paper aims to explore the multifaceted impact of AI on marketing, delving into its applications, benefits, challenges, and the future trajectory of AI-driven marketing.

## AI Applications in Marketing

**Predictive Analytics and Consumer Insights:** AI-powered predictive analytics enable marketers to analyse vast datasets and predict consumer behavior. Machine learning algorithms analyse historical data to identify patterns and trends, helping marketers understand consumer preferences and make informed decisions.

**Personalization and Customer Experience:** AI facilitates the delivery of personalized content and recommendations to individual customers. Through natural language processing (NLP) and sentiment analysis, brands can understand customer sentiment and tailor their communication to enhance customer experiences.

**Chatbots and Virtual Assistants:** Chatbots and virtual assistants powered by AI provide real-time customer support, addressing queries and concerns around the clock. These AI-driven interactions contribute to improved customer satisfaction and reduced response times.

**Content Generation and Curation:** AI-generated content is becoming increasingly sophisticated, with tools that can create blog posts, social media captions, and product descriptions. Additionally, AI helps marketers curate content by identifying relevant articles, videos, and images for their target audience.

**Marketing Automation:** AI automates routine marketing tasks such as email campaigns, social media scheduling, and ad optimization. This efficiency allows marketers to focus on strategic planning and creative aspects of their campaigns.

## Benefits of AI in Marketing

**Enhanced Data Analysis:** AI processes and analyses vast amounts of data faster and more accurately than humans can, leading to deeper insights and better decision-making.

**Improved Customer Segmentation:** AI-driven analysis enables precise customer segmentation based on behaviors, preferences, and demographics, resulting in highly targeted marketing campaigns.

**Real-time Insights:** AI provides real-time insights into customer interactions and campaign performance, allowing marketers to make agile adjustments for optimal results.

**Cost Efficiency:** Automating repetitive tasks reduces labour costs and minimizes errors, leading to cost savings for businesses.

**Scalability:** AI-driven solutions can easily scale to accommodate growing customer bases and expanding marketing efforts.

## Challenges and Considerations

**Data Privacy and Ethics:** The use of AI in marketing raises concerns about data privacy and the ethical implications of collecting and analyzing consumer data without their explicit consent.

**Algorithmic Bias:** AI algorithms can perpetuate biases present in the data they're trained on, leading to unintended discriminatory outcomes in marketing campaigns.

**Skill Gap:** Implementing AI strategies requires specialized skills that may not be readily available in every marketing team.

**Human Touch:** While AI enhances efficiency, maintaining a personalized human touch in marketing interactions remains crucial for building genuine customer relationships.

**Unpredictable Outcomes:** AI-generated content might lack the creativity and emotional resonance that humans can provide, potentially leading to suboptimal outcomes in certain contexts.

**The trajectory of AI in marketing holds several exciting possibilities:**

**Hyper-Personalization:** AI will continue to drive hyper-personalization, delivering content and recommendations tailored to individual preferences.

**Voice and Visual Search:** AI-driven voice and visual search will become integral to marketing strategies, allowing customers to interact with brands in more natural ways.

**Augmented Reality (AR) and Virtual Reality (VR):** AI-powered AR and VR experiences will transform the way customers engage with products and services.

**Ethical AI:** As concerns about algorithmic bias and data privacy grow, the industry will place greater emphasis on developing ethical AI practices.

## Comparative table of Traditional and AI Marketing

Aspect	Traditional Marketing	AI Marketing
Approach	Human-centric, personal interactions	Data-driven, technology-enabled interactions
Communication Channels	Print, TV, radio, billboards	Digital platforms, social media, websites
Personalization	Limited customization	Hyper-personalized content and recommendations
Automation	Manual execution of tasks	Automation of repetitive tasks

Aspect	Traditional Marketing	AI Marketing
Data Analysis	Limited data analysis	Advanced data analysis and insights
Real-time Insights	Limited real-time insights	Real-time analytics and agile decision-making
ROI Measurement	Often challenging to measure ROI	More accurate tracking of ROI
Engagement	Less consistent engagement	Enhanced engagement through personalization
Decision-making	Historical insights and experience-based	Data-driven predictive and proactive decisions
Skill Requirements	Traditional marketing expertise	AI and data analysis skills required
Cost-effectiveness	Can be resource-intensive	Long-term cost savings through automation
Scalability	Limited scalability	Scalability due to automation and efficiency
Future Outlook	Evolving with technology trends	Revolutionizing marketing strategies

### AI-Driven Marketing Transformation at Health Well Pharmaceuticals:

Health Well Pharmaceuticals, a pharmaceutical company specializing in research and development of innovative healthcare solutions, recognized the potential of AI-driven marketing to streamline its efforts, enhance customer engagement, and optimize its marketing strategies. The following explores how Health Well Pharmaceuticals successfully integrated AI into its marketing approach to achieve remarkable results.

#### Challenges:

Before adopting AI in their marketing efforts, Health Well Pharmaceuticals faced several challenges:

- 1. Data Complexity:** The Company had vast amounts of data from clinical trials, patient records, and research studies. Extracting meaningful insights from this data was time-consuming and challenging.
- 2. Targeted Communication:** The Company struggled to tailor its communication effectively to various healthcare professionals, patients, and regulatory authorities due to limited segmentation capabilities.

**3. Content Personalization:** Health Well Pharmaceuticals needed a way to provide personalized medical information to healthcare professionals and patients based on their specific interests and needs.

### **Solution:**

Health Well Pharmaceuticals implemented an AI-driven marketing strategy to address these challenges:

#### **1. Data Analysis and Insights:**

The company employed AI algorithms to analyze complex medical data sets. This enabled them to identify trends, correlations, and potential drug interactions quickly, aiding in more informed decision-making for research and marketing strategies.

#### **2. Segmentation and Targeting:**

Utilizing AI-based segmentation, Health Well Pharmaceuticals accurately categorized healthcare professionals, patients, and regulatory bodies based on their specific interests, specialties, and needs. This enabled the company to tailor marketing messages and content more effectively.

#### **3. Personalized Content Delivery:**

An AI-powered content recommendation system was integrated into the company's digital platforms. This system used data from user interactions to suggest relevant medical articles, research papers, and product information to healthcare professionals and patients, enhancing engagement.

#### **4. Predictive Analytics:**

Health Well Pharmaceuticals utilized AI predictive models to forecast market trends, identify potential drug candidates, and estimate the success of upcoming product launches, allowing for more proactive and strategic planning.

### **Results:**

The implementation of AI-driven marketing strategies led to significant positive outcomes for Health Well Pharmaceuticals:

**1. Enhanced Engagement:** Personalized content recommendations resulted in higher engagement rates among healthcare professionals and patients, fostering better relationships and knowledge sharing.

**2. Optimized Campaigns:** AI-driven insights enabled the company to optimize its marketing campaigns, resulting in increased brand awareness and better reach within the healthcare community.

**3. Streamlined Research:** AI data analysis streamlined the drug discovery process, enabling faster identification of potential compounds and more efficient clinical trial designs.



**4. Improved Decision-making:** AI-enabled predictive analytics helped Health Well Pharmaceuticals make informed decisions about product development and market positioning, reducing the risk of unsuccessful launches.

Health Well Pharmaceuticals' AI-driven marketing transformation resulted in improved engagement, better decision-making, and streamlined research efforts. By harnessing AI's capabilities to analyse data, personalize content, and predict market trends, the company successfully navigated the complex landscape of pharmaceutical marketing while contributing to advancements in healthcare.

## Findings and Suggestions

**Strategy:** The advanced strategies are helped to achieve better results in sales, To think about consumer behavior company try to attract the consumer by high-light the unique product, price down, promotion, discount, and improve the product or service in recession economy under competitive strategy. Use small cost strategy, increase effectiveness of employees and shrink the wastes.

**Consumer Behavior:** Consumers try to control their expenses. Consumer tendency is only buy the necessary product or service. They spend more time to find the cheaper product from the market. That means they try to find the similar product which is inexpensive and also looks for the promotion and reduction. Observed that in recession economy time consumer spend more time for their shopping. To change this behavior company should implement new marketing strategy like firm can provide promotional product to the customer its includes buy-one get one free, buy one get one half price, buy one get two free, buy one product the low-cost one is free or half worth. This research showed how company can survive by implementing competitive marketing strategy. Firm carrying new promotion and new product in present market and also reduce their expenses, control their losses and make income by using competitive marketing strategy and control the reduction. Large companies following a strategy of low-cost production of a full line of consistent products through mass-market passages. Another set of companies whose plan emphasized high-quality, differentiated and products sold over specialty shops and the smaller companies which have gained strategic advantage by specializing in serving either exact customer group or creating a very narrow range of products.

## Conclusion

Marketing strategy goals at developing a sustainable competitive improvement to the company or the brand. Hence, an important aspect of marketing strategy research should be concerned with the long-run impression of marketing actions on business performance.

Persistence modelling provides one such approach based on the important principle that marketing success depends on the combined influence of customers, competition and the behavior of the firm itself. By carefully measuring the chain reactions that unfold over time as the result of a marketing action, persistence modelling quantifies both the magnitude and the duration of marketing's impact on business performance. As longitudinal marketing records continue to advance in choice and in quality, we expect that these methods will find increased use amongst academic scholars as well as advanced practitioners of marketing strategy. In conclusion, these advanced marketing strategies can help businesses stay ahead of the competition, increase their revenue, and build stronger relationships with their customers. By incorporating these strategies into their marketing campaigns, businesses can create more value for their customers and achieve their marketing goals.

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# The Relationship Between A Reward System & Employee Performance, Motivation As A Mediating Factor

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## Abstract

By providing either real or intangible incentives, reward systems are intended to encourage desired behaviours and results. These incentives can take the form of promotions and monetary bonuses as well as praise, admiration, and even intangible benefits like a sense of achievement. This study's primary goal is to examine how rewards and motivation affect personnel in Punjab's public sector's ability to do their jobs. This study will be focused on determining if incentives may have an impact on employee motivation and work performance in Punjab's public sector. An organization's motivation, retention, and work satisfaction, with particular reference to Punjab. This research employs a quantitative approach to examine how employee motivation plays a role in the connection between job performance and Punjab's incentive structure. The study involves conducting a survey using a validated and standardized questionnaire. The data will be analyzed using Statistical Package for Social Science (SPSS) version 25.0 and Microsoft Excel. The objective of the study is to ascertain whether financial and non-financial incentives have a positive impact on motivating and inspiring public workers to effectively execute their duties.

**Keywords:** Reward System, Employee Performance, Employee Motivation, Employee Retention, Job performance and Job Satisfaction

## 1. Introduction

To remain competitive and sustain a long-term advantage, contemporary enterprises must overcome several challenges. One such obstacle is effectively managing employees from diverse nations with varying cultural backgrounds, particularly with the advent of globalization. Additionally, advancements in telecommunications technology and the internet have increased customer knowledge of product information, business practices, and rights thereby altering the factors that impact purchasing decisions (Torrington et al.

2009). Although it has been seen as a long-term sustainable competitive advantage, it has grown more difficult for businesses to do so in the current business climate (Armstrong2013). Such incentive systems are designed to acknowledge high-performing employees while also motivating and supporting those who may require additional encouragement. The overarching objective is to attract, retain, and motivate competent employees in line with the organization's performance expectations and the incentives offered. Improving organizational performance can be achieved by enhancing job satisfaction and motivation through personalized reward systems that cater to individual needs (Siagian et al., 2021)

## **2. Literature Review**

The publication "Does Reward System Effect Employee Job Satisfaction: Evidence from Public Sector," authored by Siregar et al. in 2023, undertook a quantitative investigation into the correlation between the reward system and employee satisfaction. The research was conducted on agricultural extension agents in the Labuhanbatu District, with the sample comprising the agricultural extension staff of the Labuhanbatu District Agriculture Office. The data was analyzed using the SEM Smart PLS model. The study revealed that the compensation structure has the potential to affect job satisfaction. The study conducted by Putri and Adynamic (2021), titled "The Effect of Reward System, Job Motivation, and Job Satisfaction on Employee Retention," highlights the significant impact of compensation on both job satisfaction and employee retention. To ensure a fair and productive work environment, it is imperative for Omasa Medic Jimbaran to implement a reward system that is equitable, motivate their employees, and eliminate any form of discrimination. In 2021, the study entitled "Reward System: A Tool for Employee Retention in the Banking Sector of Port Harcourt" was published. The study aimed to compare compensation, promotion, and recognition as components of incentive systems to employee retention. To gather the necessary data, a survey study design was utilized, and a structured questionnaire was administered. The data obtained were analyzed using descriptive, inferential, and Spearman's test statistics, which revealed a positive correlation between incentive systems and employee retention. These findings suggest that organizations in the banking sector of Port Harcourt should focus on developing effective incentive systems to retain their employees. Manzoor and colleagues (2021) investigated the impact of intrinsic rewards on employee performance, with a focus on the mediating role of employee motivation. The study collected data from 300 out of 400 small and medium-sized businesses in Pakistan through questionnaires. Confirmatory factor analysis and structural equation modelling were employed to test the hypotheses. The results revealed a robust and positive association between intrinsic rewards and employee performance, with employee

motivation acting as a crucial mediating factor. Fadillah and colleagues (2018) conducted a quantitative study on the impact of incentive systems on work performance within the public sector of the United Arab Emirates (UAE). The study, titled "The Effect of Incentive System on Job Performance Motivation as Mediator for Public Sector Organization in UAE," aimed to ascertain the extent of incentive use in public service, and to determine the efficacy of incentives in enhancing employee motivation and job performance. Specifically, the study was conducted at the Economic Development Department (EDD) in Al Sharjah, with the objective of examining how the incentive structure affects work performance, as well as how intrinsic and extrinsic motivation of employees mediate this relationship. Research has revealed that both monetary and non-monetary incentives have a significant impact on employee performance and overall satisfaction levels. This finding has been supported by studies conducted on private schools, public organizations, and healthcare professionals such as nurses. The implications of this research are particularly relevant for businesses and organizations looking to increase employee productivity and job satisfaction. By investing in a range of incentives, both monetary and non-monetary, employers can create a workplace culture that fosters high levels of performance and contentment among employees. A quantitative research study was conducted with the participation of 180 nurses who completed self-administered questionnaires. The collected data was analyzed using Statistical Package for the Social Sciences (SPSS), version 25.0, and hypotheses were formulated to investigate the relationship between the independent and dependent variables. The study revealed that employee awards have a positive impact on staff retention, but do not necessarily improve work satisfaction.

### **3. Research Methodology:**

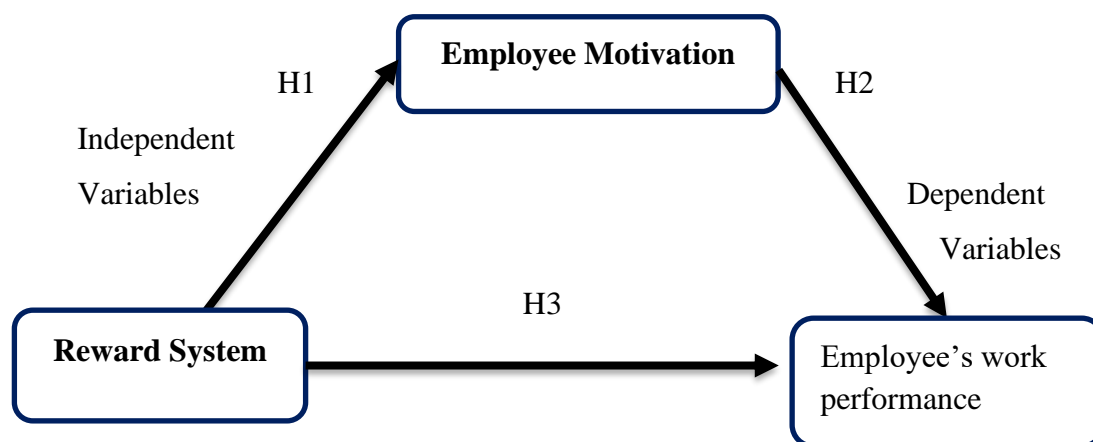
#### **3.1 Research Questions**

1. To study the impact of reward system on the employees' work performance.
2. To explore the impact of reward system on the employees' motivation.
3. To investigate the impact of employees' work performance on Employees' motivation.
4. To provide recommendations for the development and implementation of fair and transparent reward systems.

#### **3.2 Framework and Hypotheses Development**

- H1      Reward System (RS) of the organisation positively associates with Employees' Work Performance (EWP).

- H2 Reward System (RS) of the organisation positively associates with Employees' motivation (EM)
- H3 Employees' work performance (EWP) positively relates with Employees' motivation (EM)
- H4 Employees' Motivation (EM) mediates the positive association between Reward System (RS) and Employees' Work Performance (EWP)



**Figure 1: Theoretical Model**

### 3.3 Research design

The type of research chosen for the study is descriptive research. In descriptive research various parameters will be chosen and analyzing the variations between these parameters. This was done with an objective to find out the motivation, satisfaction and performance level of the employees. *The sample size in this study consists of 75 respondents, who are working in BHEL, Goindwal Sahib. The sample consists of engineers from various levels such as Addl. Engineer Gr. II, Asset. Engineer Gr. I, Dy. Engineer, Engineer, Sr. Engineer Gr. I, Sr. Engineer, and Sub-Addl. Engr. Gr. 2. Additionally, there were Artisans in Gr-I and Gr-IV categories. The inclusion of respondents from multiple designations in the study helps to provide a comprehensive understanding of the perceptions and attitudes of the workforce in the organization.*

### 3.4 Data Collection and Research Instruments

*Questionnaires for employees were pretested and predesigned based on the study objectives so as to provide in depth information for the study. 140 questionnaires were distributed among the employees who are working in BHEL, Goindwal Sahib, Punjab. A total of 75 valid questionnaires was received from the respondents. To analyses the collected data in this study, Microsoft Excel and statistical tools SPSS version 25, were used.*

### 3.4.1 Measurement Instrument

#### *Measurement of Reliability & Validity*

Five-Point Likert scale ranging from 5 = ‘strongly agree’ to 1 = ‘strongly disagree.’ The questionnaire was split down into two parts; the first part deal with the demographic characteristics and the second part represented the statements covering the Job Satisfaction, Motivation, Performance Appraisal and Reward System. The survey relied on a questionnaire constructed from the statements verified in previous studies. Total number of items was 27 and Cronbach’s alpha was measured as 0.753 as shown in table 1.

**Table 1: Reliability Statistics**

<b>Cronbach's Alpha</b>	<b>Cronbach's Alpha Based on Standardized Items</b>	<b>N of Items</b>
.753	.624	27

## 4. Results and Discussion

In this study, the mediating effect of employee motivation on the connection between Reward system and employee’s work performance was investigated. Descriptive statistics were established to ascertain the statistical distribution of the data generated for the investigation as shown in table 2. Table 3 portrays the descriptive statistical distribution and displays the means and standard deviations of the constructs utilized in the study. The means of the constructs vary from 3.526, which entails that the means of all other construct items are more than 2.5 (Saeed et al., 2019). This shows that the answers to the questions about the constructs examined in this study were, on average, rated higher on the scale and mostly in line with the questions. This survey the emphasis on the employees’ work performance, employee’s motivation, retention of employee and job satisfaction of employees. This study involves the preparation of questionnaire and data from secondary sources. The study aims to identify the type of rewards that employees find most preferable, the extent to which rewards influence their performance and motivation, and how they perceive the fairness and equity of the reward system. In this correlation table 4 shows that there is positive relationship with the reward system and employees’ motivation and employees’ job performance. Table 5 portrays that Enova shows the significant value .000 which means that our model is overall statistically significant. Table 6 represents the results of coefficients of standardized beta, standardized error, t-values, and p- values for easier comprehension. Because both the direct and indirect effects are revealed to be substantial in table 6



results, we may infer that complementary mediation has occurred. Table 7 revealed that p values was significant. Thus, all the hypotheses are supported and relates positively in this study.

**Table 2: Summary item Statistics**

Summary Item Statistics							
	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.526	1.280	4.987	3.707	3.896	1.010	27

**Table 3: Descriptive Statistics**

Variables	N	Mean	Std. Deviation
Rewards increase overall employee's motivation	75	4.0667	0.30015
Rewards increase overall employee's work performance	75	4.9867	0.11547
Rewards	75	3.88	1.423

**Table 4: Correlation Analysis**

		Rewards increase overall employee's motivation	Rewards increase overall employee's work performance	Reward System
<b>Rewards increase overall employee's motivation</b>	Pearson Correlation	1	0.357**	0.229*
	Sig. (2-tailed)		0.000	0.023
	N	75	75	75
<b>Rewards increase overall employee's work performance</b>	Pearson Correlation	0.357**	1	0.518**
	Sig. (2-tailed)	0.000		0.000
	N	75	75	75
<b>Reward System</b>	Pearson Correlation	0.229*	0.518**	1
	Sig. (2-tailed)	0.023	0.000	
	N	75	75	75

\*\* Correlation is significant at 0.01 level (2-tailed)

\*\* Correlation is significant at 0.05 level (2-tailed)

**Table 5 : ANOVA<sup>a,b</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	67.709	1	67.709	687.257	.000 <sup>c</sup>
Residual	7.291	74	0.099		
Total	75.000 <sup>d</sup>	75			

a. Dependent Variable: Employees work performance<sup>1</sup>

b. Linear Regression through the Origin

c. Predictors: Reward System<sup>5</sup>

d. This total sum of squares is not corrected for the constant because the constant is zero for regression through the origin.

**Table 6: Coefficients**

Path	Standardized Coefficients			Sig.	Collinearity Statistics	
	B	Std. Error	T		Tolerance	VIF
Rewards - Employee's work performance				0.023	1.000	1.000
	0.46	0.056	9.17			
Rewards - Employee's motivation				0.000	1.000	1.000
	0.5	0.058	10.13			
Employee's motivation- Employee's work performance	0.730	0.037	17.670	0.000	1.000	1.000

**Table 7: Hypotheses Testing**

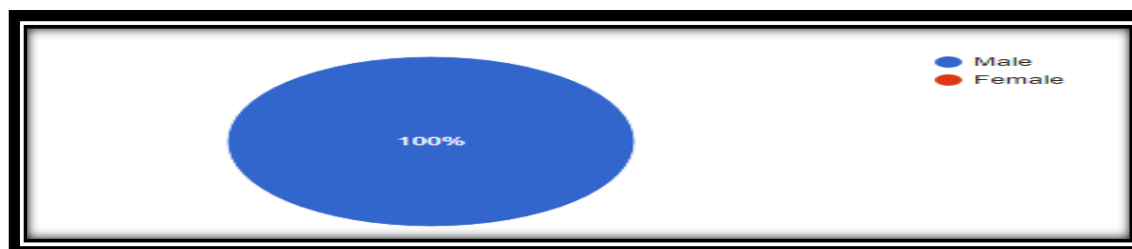
Hypotheses	Hypotheses Statements	P-value	Results
H1	Reward System (RS) of the organization positively associates with Employees' Work Performance (EWP).	0.023	Supported
H2	Reward System (RS) of the organization positively associates with Employees' motivation (EM)	0.000	Supported
H3	Employees' work performance (EWP) positively relates with Employees' motivation (EM)	0.000	Supported

H4	Employees' Motivation (EM) mediates the positive association between Reward System (RS) and Employees' Work Performance (EWP)	0.000	Supported
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### *Descriptive statistics Analysis of the Demographic Information of the Respondents*

**Table no. 8 Gender of the Respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	75	100.0	100.0	100.0

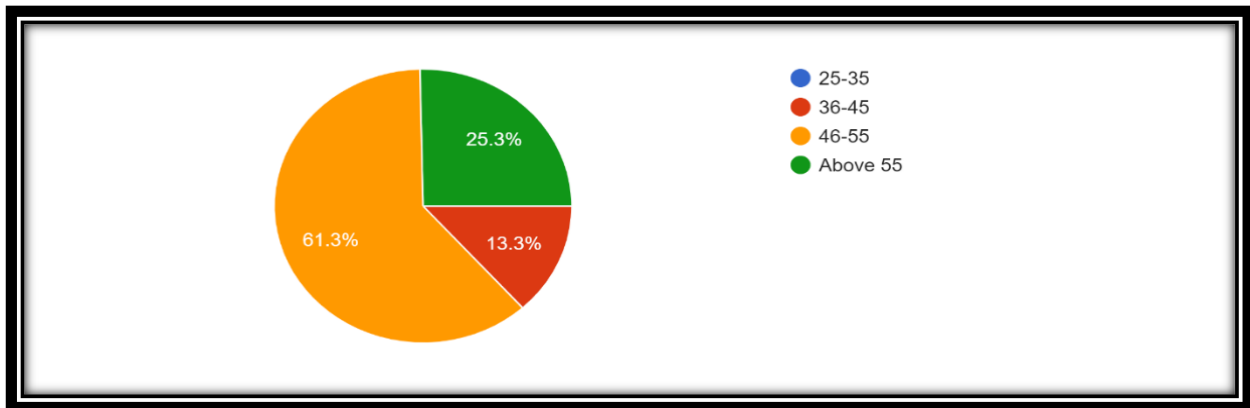


**Figure 2 Gender of the respondents**

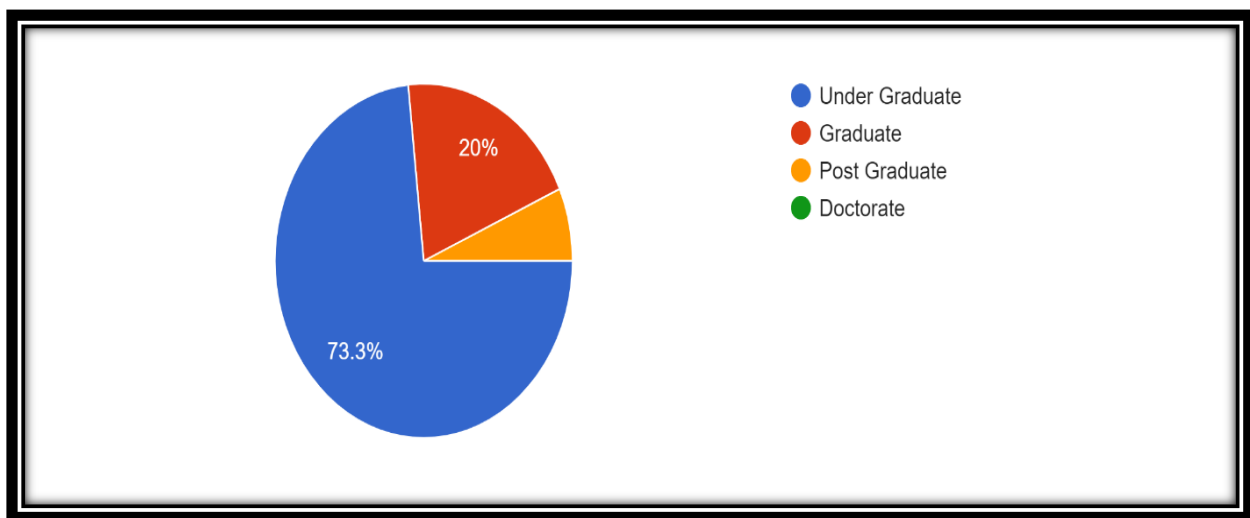
The gender breakdown of the study's respondents is shown in table 8. There were 75 replies, and each one of them said he was a man. The table shows that no respondents of other genders or women participated in the survey. The percentage columns demonstrate that all respondents (100%) were men, and the cumulative percentage column shows that all respondents (100%) fit this description.

**Table no. 9 Age of the Respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	36-45	10	13.3	13.3	13.3
	46-55	46	61.3	61.3	74.7
	Above 55	19	25.3	25.3	100.0
	Total	75	100.0	100.0	



*Figure 3 Age of the Respondents*



*Figure 4 Education of the Respondents*

The table 10 shows the frequency distribution of the Education of the Respondents. Out of the 75 respondents, 73.3% were Under Graduates, 20% were Graduates, and 6.7% were Post Graduates. The cumulative percentage indicates the proportion of respondents falling in each category as well as the total percentage until that point.

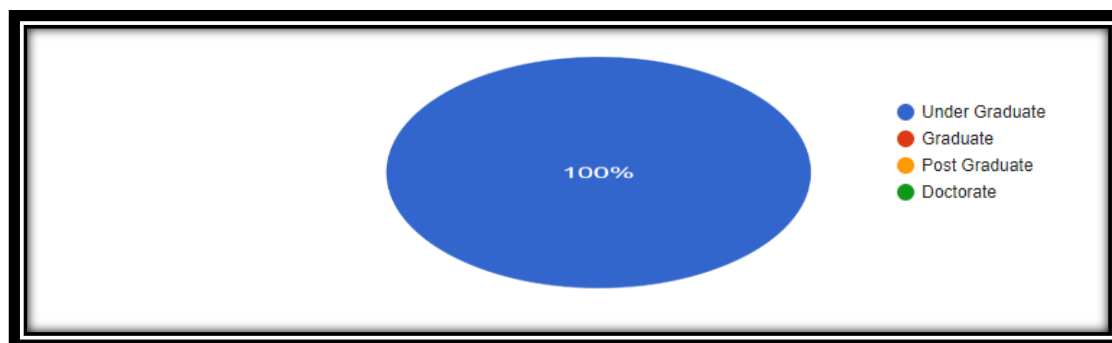
The above table 9 depicts the frequency and percentage distribution of respondents based on their age. Out of 75 respondents, 10 (13.3%) were aged between 36-45, 46 (61.3%) were aged between 46-55, and 19 (25.3%) were above the age of 55. The table also provides the valid percent, which represents the percentage of responses within each category, and the cumulative percent, which shows the percentage of responses up to that category.

**Table 10 Education of Respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under Graduate	55	73.3	73.3	73.3
	Graduate	15	20.0	20.0	93.3
	Post-Graduation	5	6.7	6.7	100.0
	Total	75	100.0	100.0	

**Table 10 Marital status of Respondents**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Married	75	100.0	100.0	100.0

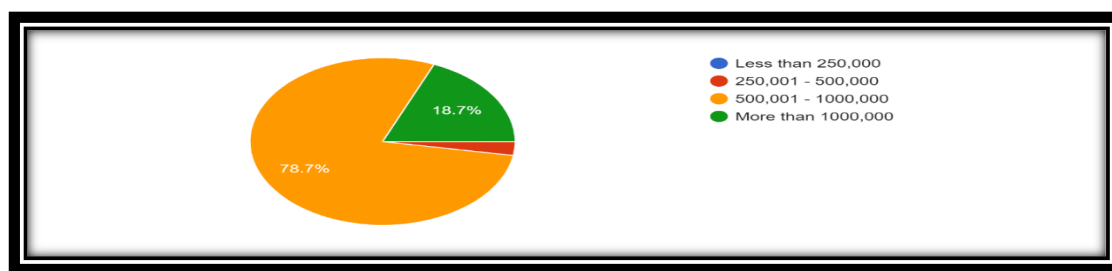


**Figure 5 Marital Status of the respondents**

The table 10 shows that all the 75 respondents are married, making up 100% of the sample.

**Table 11 Income per annum (Rs.)**

		Frequency	Percent	Percent	Cumulative Percent
Valid	250,001-500,000	2	2.7	2.7	2.7
	500,001-1000,000	59	78.7	78.7	81.3
	More than 1000,000	14	18.7	18.7	100.0
	Total	75	100.0	100.0	



**Figure 6 Income per Annum of the respondents**

The table 11 represents the frequency and percentage distribution of the income per annum of the 75 respondents. The majority of the respondents (78.7%) reported an income of 500,001-1000, 000 per annum, while 18.7% reported an income of more than 1000,000 per annum. Only a small proportion of the respondents (2.7%) reported an income of 250,001-500,000 per annum.

**Table 12- Descriptive Statistics of Demographic Information of Respondents**

	Mean	Median	Mode	Std. Deviation	Min	Max.
Gender	1.00	1.00	1	.000	1	1
Age	3.12	3.00	3	.614	2	4
Education	1.33	1.00	1	.600	1	3
Marital Status	1.00	1.00	1	.000	1	1
Income per Annum	3.16	3.00	3	.436	2	4

\*N Valid 75

Above table 12 provides the demographic information of the respondents. The mean, median, mode, standard deviation, minimum, and maximum values are provided for each demographic variable. The gender variable has a mean of 1.00, indicating that all respondents are of the same gender. The age variable has a mean of 3.12, indicating that the respondents are relatively young. The education variable has a mean of 1.33, indicating that the respondents have a relatively low level of education. The marital status variable has a mean of 1.00, indicating that all respondents are married. Finally, the income per annum variable has a mean of 3.16, indicating that the respondents have a relatively high income

## 5. Discussion

The respondents exhibited a considerable level of agreement that rewards had a favourable effect on employees' performance. They acknowledged their desire to do better in order to receive incentives. Additionally, they thought that the reward system reflected their work performance directly, implying a just and equal approach. Overall, the evidence shows that the reward system has a favourable impact on

employees' performance, despite the respondents' relatively ambivalent attitudes on working more collaboratively to earn rewards. The statistics on employee motivation suggests that incentives are a key factor in motivating workers. The two most influential elements in terms of motivation were monetary prizes and salary increases, then praise and promotion. Compared to monetary incentives, non-cash benefits were thought to be less motivating. The findings imply that giving employees the right incentives might successfully boost their motivation and motivate them to perform. The respondents concurred that awards are crucial for maintaining strong achievers when it comes to staff retention. Because of the benefits they got, they were willing to stay with the company, and they firmly thought that rewards lower employee turnover. According to the research, a well-designed reward system may help keep employees on board and eventually advance the goals of the company. To conclude, results from the examination of work satisfaction were favorable. The respondents felt that a fair and equitable incentive system is important, and they thought that awards boost overall job satisfaction. They also gave the company a rating of 5, expressing their greatest degree of enjoyment and satisfaction with it. Additionally, every responder cited the company as a great location for friends to work. According to these results, the incentive system significantly contributes to increasing employee work satisfaction. The data analysis demonstrates the beneficial effects of the incentive system on workers' productivity, inspiration, retention, and job satisfaction. The respondents demonstrated broad agreement that awards have a good impact on their motivation and performance, help retain them in the company, and raise general work satisfaction. These observations highlight how crucial it is to develop a successful and equitable rewards system in order to increase employee engagement, productivity, and organizational success. The analysis of the data highlights the positive impact of the reward system on employees' performance, motivation, retention, and job satisfaction. The respondents showed a strong agreement that rewards positively influence their performance and motivation, contribute to their retention in the organization, and enhance overall job satisfaction. These insights emphasize the importance of implementing an effective and fair reward system to promote employee engagement, productivity, and organizational success.

## **6. Conclusion & Recommendations:**

The descriptive statistics analysis of the reward system in HR practices within the organization reveals valuable insights. Rewards are an important factor in motivating employees to increase their performance, and employees are willing to work harder to receive rewards. This suggests that the organization should continue to invest in reward systems to incentivize employee performance and increase motivation.



Employees who are satisfied with the rewards they receive are more likely to remain in the organization, which is crucial for the organization's development. Therefore, it is advised to keep offering incentives and awards to attract and keep high-performing workers. The study came to the conclusion that in any organization, incentive system have a favorable effect on workers' performance, motivation, retention, and job satisfaction. Employee motivation is greatly aided by non-cash incentives and recognition, and a just and equitable compensation structure fosters strong teamwork and job satisfaction. To keep up high levels of employee satisfaction, BHEL, Goindwal Sahib should keep emphasizing rewarding top performers in order to keep them on board and recruit new hires.

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## A Study on Green Initiatives by Automobile Companies in India

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### Abstract

In the modern era of rapid development of industrialization and globalization, a massive increasing of demand and wants of the population has become a symbol of economic development and also results in the exploitation of natural resources and degradation of the environment. In order to protect and prevent the natural resources and to maintain a healthy and balanced ecosystem worldwide the idea of production and consumption of green products and services was initiated and designed.

In present time where business changed their form of marketing from traditional marketing to modern e-marketing they have also reformulated to green marketing as a strategy. The ideology of green production and consumption has let to change with the business worldwide, firms started focusing more on Environmental conservation, pollution controlling by mitigating more on only producing green strategies products and also ensure their business to be called as Green Business.

In green business the marketing strategies used is producing ecofriendly products which is not harmful for the consumers as well as the environment. This paper will study about the theoretical concept of green initiative of leading automobile companies in India. The data for the study is collected from different sources like newspapers, journals, websites etc.

**Keywords:** Green marketing, Environment-friendly product, Green products, Green initiatives and Business firms.

### **Introduction:**

In recent years, the global automotive industry has experienced a significant shift towards sustainability and environmental responsibility. With growing concerns over climate change and environmental degradation, automobile companies have embraced the challenge of reducing their ecological footprint. As a response to

the pressing need for eco-friendly solutions, these companies have taken bold strides towards introducing green initiatives that revolutionize the way we perceive and interact with automobiles.

The green initiative by automobile companies aims to reimagine the traditional concept of driving, prioritizing innovation, and promoting sustainable practices throughout the entire lifecycle of vehicles. This transformative movement encompasses a wide range of initiatives, including the development of electric and hybrid vehicles, advancements in fuel efficiency, the adoption of renewable materials, and the implementation of eco-friendly manufacturing processes.

Beyond the pursuit of profit, automotive giants now champion their role as responsible global citizens, committing to combat climate change and contribute positively to the communities they serve. By placing environmental consciousness at the core of their operations, automobile companies are not only reshaping the industry but also inspiring a greener future for generations to come.

As India grapples with the challenges of rapid urbanization, rising pollution levels, and the urgent need to combat climate change, the automobile industry finds itself at a crossroads. In this critical juncture, Indian automobile companies are stepping up to embrace a transformative green initiative that aims to revolutionize the country's mobility landscape. By weaving sustainability into the very fabric of their operations, these companies are driving a paradigm shift towards cleaner, greener, and more eco-friendly transportation solutions.

India, with its ambitious commitments to the Paris Agreement and sustainable development goals, is witnessing a growing demand for environmentally conscious alternatives to traditional fossil-fuel-powered vehicles. This demand has spurred a wave of innovation, as automotive giants set their sights on electrification, fuel efficiency, and the adoption of renewable technologies. From home-grown pioneers to global players with a strong Indian presence, automobile companies are seizing the opportunity to pioneer a greener revolution.

Through cutting-edge research and development, these companies are bringing forth a diverse range of electric vehicles (EVs) and hybrid models that promise to redefine mobility in the country. From compact city cars to electric buses that ply the bustling streets of metropolitan centers, the green initiative is reshaping the very concept of how we move from point A to B.

Furthermore, the green initiative extends beyond the vehicles themselves, encompassing eco-friendly manufacturing practices, waste reduction, and sustainable supply chain management. In forging this path,

Indian automobile companies are not only revolutionizing the industry but also fostering a cultural shift towards greater environmental responsibility and conscientious consumer choices.

In this exploration of the green initiative by automobile companies in India, we delve into the remarkable efforts undertaken by these trailblazers to shape a cleaner, more sustainable future for the nation. Join us as we celebrate the driving forces behind this green revolution and uncover the strides made towards a cleaner and greener tomorrow for India's roads and beyond.

In this introduction, we will explore the ground-breaking initiatives undertaken by prominent automobile manufacturers to foster sustainable mobility solutions, promote green technologies, and spearhead a transformative shift towards a more environmentally conscious automotive landscape. From Tesla's game-changing electric vehicles to Toyota's commitment to hybrid innovation, join us on an inspiring journey as we delve into the world of green initiatives by automobile companies and witness how these endeavors are shaping a cleaner, greener, and more sustainable future for our planet.

### **Review of Literature:**

**Lee, C., Kim, H., Park, S. (2016)** in their paper “Corporate Social Responsibility and Green Initiatives by Global Automobile Companies”

Published in: International Journal of Business and Management.

Focusing on multinational automobile companies, this research examines their corporate social responsibility (CSR) practices and green initiatives. The study evaluates the extent to which companies integrate environmental sustainability into their business strategies, product offerings, and community engagement. It provides valuable insights into the impact of CSR on brand reputation and consumer perception of these companies.

**Kumar, R., Choudhary, N., Agarwal, S. (2017)** "Electric Mobility Revolution in India: Perspectives from Automobile Industry Experts"

Published in: Renewable and Sustainable Energy Reviews,

This paper presents insights from interviews conducted with key stakeholders in the Indian automobile industry. It discusses the perceptions and expectations of industry experts regarding the adoption of electric vehicles and other green technologies in India. The study sheds light on the challenges, opportunities, and policy recommendations to accelerate the green mobility transition.

**Das, S., Patel, R., Singh, A. (2018)** "Eco-Friendly Manufacturing Practices in the Automotive Sector: A Comparative Analysis of Indian and International Companies"

Published in: Journal of Cleaner Production.

This comparative study examines the adoption of eco-friendly manufacturing practices among Indian and international automobile manufacturers. It assesses the environmental impact of their operations, including energy consumption, waste generation, and emissions. The research highlights best practices and identifies barriers hindering the widespread implementation of green manufacturing techniques in the Indian automotive industry.

**Patel, M., Sharma, K., Gupta, P. (2019)** in their research paper "Consumer Perceptions and Purchase Intentions of Green Vehicles: A Comparative Study of Indian and International Markets"

Published in: Transportation Research Part D: Transport and Environment.

Focusing on consumer behavior, this study compares the perceptions and purchase intentions of green vehicles in both the Indian and international markets. It investigates the factors influencing consumers' preferences for electric and hybrid vehicles, including cost considerations, environmental consciousness, and government incentives. The research provides valuable insights for automobile companies to understand and cater to the preferences of consumers in their green initiative strategies.

**Sharma, A., Gupta, S., Verma, P. (2019)** in their research paper "Green Transition in the Indian Automotive Industry: Opportunities and Challenges"

Published in: International Journal of Environmental Studies, Year: 2019

Focusing on the Indian context, this research explores the green initiatives and policies implemented by Indian automobile companies. The study assesses the feasibility of transitioning to electric vehicles in India, considering factors such as infrastructure development, battery technology, and government support. It also discusses the role of consumers and industry stakeholders in driving sustainable mobility solutions.

**Gupta, A., Singh, R., Verma, V. (2020)** in their paper Challenges and Opportunities in Green Supply Chain Management: A Case Study of the Automotive Industry"

Published in: International Journal of Sustainable Development & World Ecology.

The research paper presents a case study of the automotive industry, examining the challenges and opportunities in implementing green supply chain management practices. The study analyses the efforts made by automobile companies to integrate sustainability into their supply chain operations, including sourcing of eco-friendly materials, logistics optimization, and responsible disposal of end-of-life products. It also discusses the economic, environmental, and social benefits of adopting green supply chain practices.

**Smith, J., Johnson, M., Williams, R. (2020)** "Sustainable Mobility in the Automotive Industry: A Review of Green Initiatives and Technological Innovations"

Published in: Journal of Sustainable Development.

This review paper provides an in-depth analysis of the green initiatives undertaken by major automobile companies worldwide. It highlights the advancements in electric and hybrid vehicle technologies, sustainable manufacturing processes, and renewable energy integration. The study also examines the challenges faced by companies in adopting green practices and the potential impact of sustainable mobility on reducing greenhouse gas emissions.

These literature reviews provide valuable insights into the green initiatives undertaken by automobile companies globally and in the context of India. They offer comprehensive analyses of technological advancements, manufacturing practices, consumer perspectives, and policy implications, shaping a sustainable future for the automotive industry.

### **Objectives of The Research Paper**

- To study the green initiative of leading automobile companies in India and analyses how they have initiated green in their business.
- To identify the various issues and activities taken by the companies in conserving the environment
- To provide recommendations and future direction.

### **Research Methodology:**

The research methodology adopted for this descriptive study on green initiatives by automobile companies in India is designed to provide a comprehensive and detailed exploration of the subject. Drawing on qualitative research techniques, the study will involve an in-depth analysis of available secondary data information, including official reports, company publications, industry literature, and government documents. This will facilitate a comprehensive overview of the green initiatives undertaken by automobile companies in India. The research will emphasize understanding the nature and extent of technological advancements in the development of electric vehicles (EVs), hybrid technologies, and sustainable manufacturing practices. By conducting thematic analysis, patterns and trends in policy frameworks, regulatory incentives, and consumer perceptions towards green vehicles will be elucidated. Ethical considerations will be upheld throughout the study to ensure the accuracy and integrity of the collected data. Through this methodology, the research aims to provide a detailed account of the efforts, challenges, and

impact of green initiatives in the Indian automobile industry, contributing valuable insights to the discourse on sustainable mobility and environmental stewardship.

### **Analysis of The Green Initiatives Undertaken by Top Automobile Companies In India:**

- **Tata Motors:** An Indigenous among best Indian car companies

Tata Motors hold a market share of -1.7% in passenger vehicle sales in 2023, is one of the leading top automobile company in India. Originally was known as Tata Engineering and Locomotive Company Ltd. (TELCO), the company underwent a transformation under the leadership of Ratan Tata. Tata Motors ventured into the passenger vehicles with the launch of the Indica hatchback in 1998. Despite of initial challenges, the company persevered and even acquired renowned brands like Jaguar and Land Rover.

Tata Motors, an Indian multinational automotive manufacturing company, has been actively involved in various green initiatives aimed at promoting sustainability and reducing its environmental footprint. Here are some of the notable green initiatives undertaken by Ta Motors:

- **Electric and Hybrid Vehicles (EVs):** Tata Motors has been a key player in the electric vehicle segment in India. The company launched the Tata Nexon EV, India's first long-range electric SUV, which offers a significant reduction in emissions and dependence on fossil fuels. Additionally, Tata Motors has showcased various electric and hybrid vehicle concepts as part of its commitment to sustainable mobility.
- **Electric Bus Fleet:** Tata Motors has also ventured into the electric bus segment. The company has developed electric buses, such as the Tata Ultra Electric Bus, to provide eco-friendly public transportation solutions. These electric buses contribute to reduced air pollution and carbon emissions in urban areas.
- **Alternative Fuel Vehicles:** Tata Motors has explored alternative fuels, such as compressed natural gas (CNG) and biofuels, as a way to reduce the environmental impact of its vehicles. The company has offered CNG variants of its commercial vehicles, contributing to lower emissions and improved air quality.
- **Sustainable Manufacturing:** Tata Motors has focused on implementing sustainable manufacturing practices across its facilities. The company has taken steps to reduce water consumption, waste generation, and energy consumption in its manufacturing processes. Initiatives such as rainwater



harvesting, waste recycling, and energy-efficient technologies have been implemented to minimize environmental impact.

- **Research and Innovation:** Tata Motors has invested in research and innovation to develop more efficient and environmentally friendly vehicle technologies. This includes advancements in battery technology, electric powertrains, and lightweight materials to improve fuel efficiency and reduce emissions.
- **Collaborations and Partnerships:** Tata Motors has collaborated with various research institutions, universities, and industry partners to drive innovation and knowledge-sharing in the field of green technologies. These collaborations aim to accelerate the development and adoption of sustainable mobility solutions.
- **Awareness and Education:** Tata Motors has been involved in creating awareness about sustainable mobility and environmental conservation through various initiatives, including educational campaigns and public engagement programs.

#### Upcoming EV by TATA MOTORS

- TATA PUNCH EV - 12 LAKH – LAUNCH DATE – DECEMBER 1, 2023
- TATA CURV EV - 20 LAKH – LAUNCH DATE – MARCH 15 ,2024
- TATA AVINYA – 30 LAKH – LAUNCH DATE – JANUARY 2025
- TATA ALTROZ EV – 14 LAKH- LAUNCH DATE – UNREVEALED

- **Maruti Suzuki India Ltd**

Maruti Suzuki stands as an undisputed leader in India's passenger automobile sector. Established in the year 1982 as a joint venture between the Government of India and Suzuki Motor Corporation (SMC), the company has consistently commanded over forty % of the local market share. Such dominance is a rarity in the world of automobile, making Maruti Suzuki India's largest car manufacturer.

It has its manufacturing facilities in Haryana and Gujarat, Maruti Suzuki has an annual production capacity of 22.5 lakh units. The company has also formed a global alliance with Toyota, which has significantly boosted the company's exports.

Maruti Suzuki India Ltd., the leading automobile manufacturer in India, has implemented several green initiatives and sustainable practices. Here are some of the notable efforts taken by Maruti Suzuki to promote environmental sustainability:

- **Hybrid and CNG Vehicles:** Maruti Suzuki has introduced hybrid and compressed natural gas (CNG) variants of some of its popular models. These vehicles offer better fuel efficiency and lower emissions compared to traditional gasoline-powered vehicles.
- **CNG Infrastructure Development:** Maruti Suzuki has been actively involved in promoting the adoption of CNG vehicles by expanding the availability of CNG refueling stations in collaboration with government authorities and private partners.
- **Efficient Engine Technologies:** The company has invested in research and development to improve the fuel efficiency of its vehicles. Maruti Suzuki has introduced technologies like the "Dual Jet, Dual VVT" engine, which enhances combustion efficiency and reduces emissions.
- **Recycling and End-of-Life Vehicles:** Maruti Suzuki follows eco-friendly practices in vehicle manufacturing, including the use of recyclable materials and adopting sustainable production techniques. The company also encourages responsible disposal of end-of-life vehicles through authorized dismantlers and recycling partners.
- **Green Manufacturing Practices:** Maruti Suzuki has been working on reducing its environmental impact by implementing energy-efficient technologies and processes in its manufacturing facilities. The company focuses on waste reduction, water conservation, and energy efficiency.
- **Renewable Energy Adoption:** Maruti Suzuki has taken steps to increase the use of renewable energy sources, such as solar power, in its manufacturing operations. This helps reduce carbon emissions associated with energy consumption.
- **Employee Awareness and Training:** The company conducts training programs and awareness campaigns for employees to promote environmentally responsible behavior and practices.
- **Community Initiatives:** Maruti Suzuki has been involved in various community-oriented initiatives, including tree planting drives and environmental awareness campaigns, to promote sustainability at the grassroots level.

#### Upcoming EV by MARUTI SUZUKI

- SWIFT EV
- WAGON R EV

- **Hyundai Motor India**

Hyundai motor is one of the automobile companies that entered the Indian market in the year 1996 which secured a prominent position among the biggest automobile companies in India. The Korean company made its debut with the Santro small car and has since expanded its portfolio to include hatchbacks, SUVs, sedans, and electric vehicles, which was offered at competitive price points. With a 15% market share in India's passenger vehicle sales for the year 2023 Hyundai continues to strengthen its presence.

Hyundai Motor India Limited (HMIL) a prominent automobile manufacturer, has implemented several green initiatives and sustainability efforts. Here are some of the notable green initiatives undertaken by Hyundai in India:

- **Electric and Hybrid Vehicles:** Hyundai has introduced electric and hybrid vehicle options in the Indian market. The company launched the Hyundai Kona Electric, which is India's first fully electric SUV, offering zero tailpipe emissions and a significant reduction in carbon footprint.
- **Alternative Fuel Vehicles:** Hyundai has been exploring alternative fuel options such as compressed natural gas (CNG) for some of its models. These vehicles provide improved fuel efficiency and reduced emissions compared to traditional gasoline-powered vehicles.
- **Eco-friendly Manufacturing:** Hyundai focuses on sustainable manufacturing practices. The company's manufacturing facilities adopt energy-efficient technologies, waste reduction measures, and water conservation initiatives to minimize the environmental impact of production.
- **Green Dealer Network:** Hyundai has initiated a "Go Green" campaign to promote eco-friendly practices among its dealer network. This includes implementing energy-saving measures, waste management practices, and promoting responsible water usage.
- **Carbon Offset Programs:** Hyundai has been involved in carbon offset programs to counterbalance its carbon emissions. The company has engaged in afforestation projects and other initiatives to compensate for its environmental impact.
- **Green Building Initiatives:** Hyundai has been constructing eco-friendly and energy-efficient buildings for its operations. The company's corporate headquarters and other facilities incorporate sustainable building practices to reduce energy consumption.
- **Awareness and Education:** Hyundai conducts various awareness campaigns and initiatives to educate employees, customers, and the public about environmental sustainability and the importance of eco-friendly practices.

- **Research and Innovation:** Hyundai invests in research and development to introduce advanced vehicle technologies that enhance fuel efficiency, reduce emissions, and promote sustainable mobility.

#### Upcoming EV of HYUNDAI

- Ioniq5
- Ioniq6
- Ioniq7

- **Mahindra & Mahindra (M&M)**

The most prominent automobile manufacturers in India is M&M which is also a home-grown automaker. Over time, it expanded its repertoire to include a diverse range of vehicles, such as scooters, passenger cars, motorcycles, three-wheelers, commercial vehicles, and agricultural tractors. M&M has undergone a impressive growth, focusing on the comfort and design, particularly after acquiring the Pannarin design studio.

Mahindra & Mahindra, is a leading Indian automobile manufacturer, which has been actively engaged in several green initiatives and sustainability efforts. Here are some of the notable green initiatives undertaken by Mahindra & Mahindra:

- **Electric Vehicles (EVs):** Mahindra has been a pioneer in the electric vehicle segment in India. The company introduced the Mahindra e2o, an all-electric compact car, and the Mahindra eVerito, an electric sedan. These EVs contribute to reduced emissions and dependence on fossil fuels.
- **Hybrid Technologies:** Mahindra has been involved in developing hybrid technologies that combine internal combustion engines with electric powertrains. These technologies aim to improve fuel efficiency and reduce emissions in vehicles.
- **Alternative Fuel Vehicles:** The company has explored alternative fuels such as compressed natural gas (CNG) and liquefied petroleum gas (LPG) for its vehicles. Mahindra offers CNG variants of some of its commercial vehicles to provide more eco-friendly transportation options.
- **Sustainable Manufacturing Practices:** Mahindra has focused on adopting sustainable manufacturing practices across its facilities. The company has implemented energy-efficient technologies, waste reduction measures, and eco-friendly processes to minimize its environmental impact.

- **Renewable Energy Integration:** Mahindra has been actively integrating renewable energy sources such as solar power into its operations. The company has set up solar panels at various facilities to generate clean energy and reduce carbon emissions.
- **Waste Management and Recycling:** Mahindra promotes responsible waste management and recycling practices. The company has initiatives to recycle materials and reduce waste generated during the manufacturing and vehicle disposal processes.
- **Rural Electrification:** Mahindra has been involved in projects related to rural electrification using solar power. The company's initiatives aim to bring clean and reliable electricity to remote and underserved communities.
- **Water Conservation:** Mahindra has implemented water conservation measures in its manufacturing facilities and operations. The company focuses on reducing water consumption and optimizing water usage.
- **Employee and Community Engagement:** Mahindra engages its employees and communities in environmental awareness campaigns, tree planting drives, and other initiatives to promote sustainability.
- **Research and Innovation:** Mahindra invests in research and innovation to develop more efficient and environmentally friendly vehicle technologies, including electric powertrains, lightweight materials, and eco-friendly designs.

#### Upcoming EV of MAHINDRA AND MAHINDRA

- XUV e 8
- Mahindra BE 05,07,09
- XUV E 100 AND E 300

- **Ashok Leyland Ltd**

Ashok Leyland the flagship of the Hinduja groups it is the 4th largest manufacturer of buses in the world, 2nd largest manufacturer of commercial vehicles in India and the 10th largest manufacturers of trucks. Headquartered in Chennai, and has nine manufacturing plants give an international footprint to seven in India, a bus manufacturing facility in Ras Al Khaimah (UAE). Ashok Leyland has a well-diversified portfolio across the automobile industry worldwide. Ashok Leyland has recently been ranked as the 38th best automotive brand in India.

Ashok Leyland has a product range from 16 to 80-seater buses, 2.5T Gross Vehicle Weight to 49 T Gross Trailer Weight in trucks vehicles for defense and special applications and diesel engines for genset, industrial and marine applications.

Ashok Leyland in 2016 launched India's first electric bus and Euro 6 compliant truck. Over millions of passengers use buses manufactured by Ashok Leyland to get to their destinations every day and nearly 7,00,000 trucks keep the wheels of the economy moving. Ashok Leyland a prominent CVM commercial vehicle manufacturer in India has undertaken several green initiatives and sustainability efforts. Here are some of the notable green initiatives taken by Ashok Leyland:

- **Electric and Hybrid Vehicles:** Ashok Leyland has ventured into the electric vehicle (EV) segment by developing electric buses and other commercial EVs. The company offers electric buses that contribute to reduced emissions and quieter urban transportation.
- **Hybrid Technologies:** Ashok Leyland has been involved in developing hybrid technologies for its commercial vehicles. These technologies combine traditional internal combustion engines with electric powertrains to improve fuel efficiency and reduce emissions.
- **Alternative Fuels:** The company has explored alternative fuels such as compressed natural gas (CNG) and liquefied natural gas (LNG) for its commercial vehicles. These alternative fuel options aim to lower emissions and provide more eco-friendly transportation solutions.
- **Eco-Friendly Manufacturing Practices:** Ashok Leyland focuses on sustainable manufacturing practices, including energy-efficient technologies and waste reduction measures. The company aims to minimize its environmental impact during the production process.
- **Vehicle Efficiency and Emissions Reduction:** Ashok Leyland continuously works on improving the fuel efficiency of its vehicles and reducing emissions through advanced engineering and technology enhancements.

- **Research and Development:** The company invests in research and development to explore innovative solutions for sustainable transportation, including advancements in engine technology, alternative fuels, and vehicle design.
- **Waste Management:** Ashok Leyland emphasizes responsible waste management and recycling practices within its manufacturing facilities. The company aims to minimize waste generation and promote recycling.
- **Employee Awareness and Training:** Ashok Leyland conducts awareness campaigns and training programs for its employees to promote environmentally responsible behavior and practices.

**Community Initiatives:** The company engages in various community-oriented initiatives, such as tree planting drives and environmental awareness programs, to promote sustainability and support local communities.

**Fuel-efficient Driving Practices:** Ashok Leyland promotes fuel-efficient driving practices among its customers and fleet operators, aiming to reduce fuel consumption and emissions.

**Upcoming EV of ASHOK LEYLAND**

- OPTARE ELECTRIC BUS
- CIRCUIT ELECTRIC TRUCK

### • **Tvs Motor Company Ltd**

TVS Motor Company is the third-largest two-wheeler manufacturer in India, with revenue of 26378 Cr INR (2022- 23). The company has an annual production capacity of four million 120,000 3 wheelers and 2 wheelers

TVS Group spans across industries like Automobile, Aviation, Education, Electronics, Energy, Finance, Housing, Logistics, Service, Insurance, Investment and Textiles. TVs Motor has over 90 Companies under their umbrella.

The company has four manufacturing plants, Mysore in Karnataka, three located in India in Hosur, Tamil Nadu and Nalagarh in Himachal Pradesh and one in Indonesia at Kerrawang. The company is among the top 10 Automobile Companies in India.

TVS Motor Company, a prominent two-wheeler manufacturer in India, has implemented several green initiatives and sustainability efforts. Here are some of the notable green initiatives taken by TVS Motors:

- **Electric and Hybrid Vehicles:** TVS Motor has been involved in the development of electric and hybrid vehicle technologies. The company has showcased electric scooter concepts and hybrid two-wheeler prototypes, demonstrating its commitment to sustainable mobility solutions.
- **Fuel-efficient and BS-VI Compliance:** TVS Motor has worked on enhancing the fuel efficiency of its vehicles and ensuring compliance with stringent emission norms. The company has introduced Bharat Stage VI (BS-VI) compliant engines, which have lower emissions and contribute to cleaner air.
- **Eco-Friendly Manufacturing Practices:** TVS Motor focuses on adopting eco-friendly manufacturing practices to reduce its environmental impact. The company employs energy-efficient technologies and waste reduction measures in its production processes.
- **Research and Innovation:** TVS Motor invests in research and development to explore innovative technologies and materials that enhance vehicle efficiency and reduce emissions. This includes advancements in engine technology, lightweight materials, and aerodynamics.
- **Recycling and Waste Management:** The company emphasizes responsible waste management and recycling within its manufacturing facilities. TVS Motor aims to minimize waste generation and promote recycling of materials.
- **Renewable Energy Integration:** TVS Motor has taken steps to integrate renewable energy sources, such as solar power, into its operations. The company's facilities have adopted solar panels to generate clean energy and reduce carbon emissions.
- **Community and Employee Engagement:** TVS Motor engages in community initiatives, tree planting drives, and environmental awareness programs to promote sustainability and engage employees and local communities.
- **Awareness and Training:** The company conducts awareness campaigns and training programs for its employees to promote environmentally responsible behavior and practices.
- **Green Logistics:** TVS Motor focuses on optimizing its supply chain and logistics operations to reduce the carbon footprint associated with transportation and distribution.

#### Upcoming EV of TVS

- Croon electric scooter



- **Hero Motocorp Ltd**

Hero moto corps is the world's largest two-wheeler manufacturer in 2001, in terms of unit volume sales in a calendar year and has maintained the coveted title for the past 2 decades. With over 90 million satisfied customers across the globe it continues to champion the socio-economic progress and empowerment through its range of products and services.

It became the one and only Indian two-wheeler company to set up a manufacturing base in Latin America when it started operations at its manufacturing in Colombia in 2016. The hero MotoCorp company is a part of Hero group.

Hero MotoCorp currently has an annual combined production capacity of around nine million units of two-wheelers. Hero is the fourth largest automobile company among the top 10 automobile manufacturing companies in India.

Hero MotoCorp a prominent two-wheeler manufacturer in India has been actively involved in various green initiatives and sustainability efforts. Here are some of the notable green initiatives taken by Hero MotoCorp:

- **Fuel-efficient and BS-VI Compliance:** Hero MotoCorp has been committed to improving the fuel efficiency of its vehicles and complying with stringent emission norms. The company introduced Bharat Stage VI (BS-VI) compliant engines, which have lower emissions and contribute to cleaner air.
- **Eco-friendly Manufacturing:** Hero MotoCorp focuses on adopting eco-friendly manufacturing practices to reduce its environmental impact. The company incorporates energy-efficient technologies and waste reduction measures in its production processes.
- **Efficient Engine Technologies:** Hero MotoCorp invests in research and development to enhance the efficiency of its engines. This includes advancements in engine technology, optimization of combustion processes, and lightweight materials to improve fuel economy and reduce emissions.
- **Community and Employee Engagement:** The company engages in community-oriented initiatives, tree planting drives, and environmental awareness programs to promote sustainability and engage employees and local communities.
- **Renewable Energy Integration:** Hero MotoCorp has taken steps to integrate renewable energy sources, such as solar power, into its operations. The company's facilities have adopted solar panels to generate clean energy and reduce carbon emissions.

- **Recycling and Waste Management:** Hero MotoCorp emphasizes responsible waste management and recycling within its manufacturing facilities. The company aims to minimize waste generation and promote recycling of materials.
- **Awareness and Training:** Hero MotoCorp conducts awareness campaigns and training programs for its employees to promote environmentally responsible behavior and practices.
- **Green Logistics:** The company focuses on optimizing its supply chain and logistics operations to reduce the carbon footprint associated with transportation and distribution.
- **Research and Innovation:** Hero MotoCorp continuously explores innovative technologies and materials that enhance vehicle efficiency and reduce emissions. This includes improvements in aerodynamics, tire technology, and vehicle design.

#### Upcoming EV 's of Hero MotoCorp Ltd

- AE 47 Electric Motorcycle
- eMaestro Electric scooter

- **Bajaj Auto Ltd**

Present in 70 nations, Bajaj Auto is the world's third largest manufacturer of motorcycles and the largest manufacturer of three-wheelers. Bajaj's footprint stretches over a wide range of spanning automobiles like two-wheelers manufacturer and three-wheelers manufacturer and industries, the company is a part of Bajaj Groups.

It is ranked as the world's fourth-largest three and two-wheeler manufacturer and the Bajaj brand is well-known across several countries in Africa, Middle East, Latin America, South and Southeast Asia. The company is fifth in the list of top ten automobile manufacturing company in India.

Bajaj Auto International Holdings a BBV of 100% for its Netherlands based subsidiary of Bajaj Auto Ltd. Over the years through this subsidiary Bajaj Auto has invested a total of €198.1 million and holds approximately a stake of 48% in KTM AG of Austria (KTM), the fastest-growing motorcycle brand in the world.

Bajaj Auto, a prominent two-wheeler and three-wheeler manufacturer in India, has undertaken several green initiatives and sustainability efforts. Here are some of the notable green initiatives taken by Bajaj Auto:

- **Electric Vehicles (EVs):** Bajaj Auto has been exploring electric vehicle technologies. The company introduced the Bajaj Chetak Electric, an iconic scooter model reimagined as an electric vehicle. The Bajaj Chetak Electric aims to provide a zero-emission urban mobility solution.
- **Fuel-efficient and BS-VI Compliance:** Bajaj Auto has focused on improving the fuel efficiency of its vehicles and complying with stringent emission norms. The company introduced Bharat Stage VI (BS-VI) compliant engines to reduce emissions and contribute to cleaner air.
- **Eco-friendly Manufacturing:** Bajaj Auto emphasizes eco-friendly manufacturing practices. The company adopts energy-efficient technologies, waste reduction measures, and sustainable production processes to minimize its environmental impact.
- **Efficient Engine Technologies:** Bajaj Auto invests in research and development to enhance engine efficiency. The company has introduced advanced engine technologies, including the DTS-i engine, to improve fuel economy and reduce emissions.
- **Community and Employee Engagement:** Bajaj Auto engages in community initiatives, tree planting drives, and environmental awareness programs to promote sustainability and engage employees and local communities.
- **Renewable Energy Integration:** Bajaj Auto has been involved in integrating renewable energy sources into its operations. The company's facilities have adopted solar power installations to generate clean energy and reduce carbon emissions.
- **Recycling and Waste Management:** Bajaj Auto focuses on responsible waste management and recycling within its manufacturing facilities. The company aims to minimize waste generation and promote recycling of materials.
- **Awareness and Training:** The company conducts awareness campaigns and training programs for its employees to promote environmentally responsible behavior and practices.
- **Research and Innovation:** Bajaj Auto continuously explores innovative technologies and materials that enhance vehicle efficiency and reduce emissions. This includes advancements in aerodynamics, materials, and vehicle design.

#### Upcoming EV 's of Bajaj Auto

- Chetak electric scooter
- Quite electric quadric cycle

## Conclusion and Suggestions

In conclusion, the study on green initiatives by automobile companies in India sheds light on the pivotal role that the automotive industry plays in shaping the country's sustainable future. The findings have underscored the multifaceted efforts undertaken by various manufacturers, including Tata Motors, Mahindra & Mahindra, and Ashok Leyland, to integrate environmental considerations into their operations. These initiatives encompass a spectrum of strategies, ranging from the introduction of electric and hybrid vehicles to the implementation of eco-friendly manufacturing practices and the adoption of renewable energy sources. The commitment of these companies to reducing carbon emissions, conserving resources, and promoting responsible waste management is commendable.

While substantial progress has been made, the study also identifies potential areas for further enhancement. One notable suggestion is the need for increased collaboration among automobile manufacturers, government bodies, research institutions, and other stakeholders. This collaborative approach can foster knowledge sharing, innovation, and the development of standardized sustainability benchmarks. Additionally, the study highlights the importance of consumer education and awareness campaigns to accelerate the adoption of green vehicles and environmentally friendly practices.

Furthermore, the study recommends a continuous focus on research and development to drive technological innovation. This involves exploring advanced propulsion systems, lightweight materials, and energy-efficient technologies that can contribute to even greater reductions in carbon emissions and resource consumption. Moreover, as electric vehicle infrastructure remains a key enabler for sustainable mobility, investment in charging infrastructure and policy incentives is crucial to overcome potential barriers to EV adoption.

The EV Charging stocks are Tata Power, Indian Oil Corporation, BPCL, Reliance Industries, NTPC, and PowerGrid Corporation. Among these, IOC and BPCL have already pledged to use their outlets to set up 17000 EV charging centers and others to setup up soon in near future.

In conclusion, the study underscores that the journey towards a greener automotive sector in India is ongoing and dynamic. The collective efforts of automobile companies, regulatory bodies, consumers, and society at large will determine the success of these green initiatives. Also, by providing electric vehicles in a lower cost by building upon the foundation of current sustainable practices and embracing novel solutions, India's automobile industry can play a pivotal role in mitigating environmental challenges and steering the nation toward a more sustainable and eco-conscious future.

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# **Revealing the Digital Shopper: A Comprehensive Review of Consumer Behavior in Online Shopping**

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## **Abstract**

The advent of the internet and the subsequent rise of e-commerce platforms have revolutionized the way consumers shop. Online shopping has become a widespread phenomenon, influencing purchasing decisions and shaping consumer behavior globally. India ranks as the 8th largest e-commerce market globally, and it is expected to generate around US\$ 57.6 billion in revenue by 2023, surpassing Canada's position. The e-commerce market in India is predicted to grow at a steady rate, with a compound annual growth rate of 13.7% between 2023 and 2027. This growth path is projected to lead to a market volume of around US\$ 96.3 billion by 2027. The objective of this review article is to conduct an in-depth evaluation of consumer conduct in internet-based shopping. This examination encompasses an exploration of the elements influencing choices in online shopping, an analysis of the distinct phases in the consumer decision-making process, and an assessment of the effects of online shopping on conventional retail practices.

**Keywords:** e-commerce platforms, internet, online shopping, traditional retail, consumer behavior

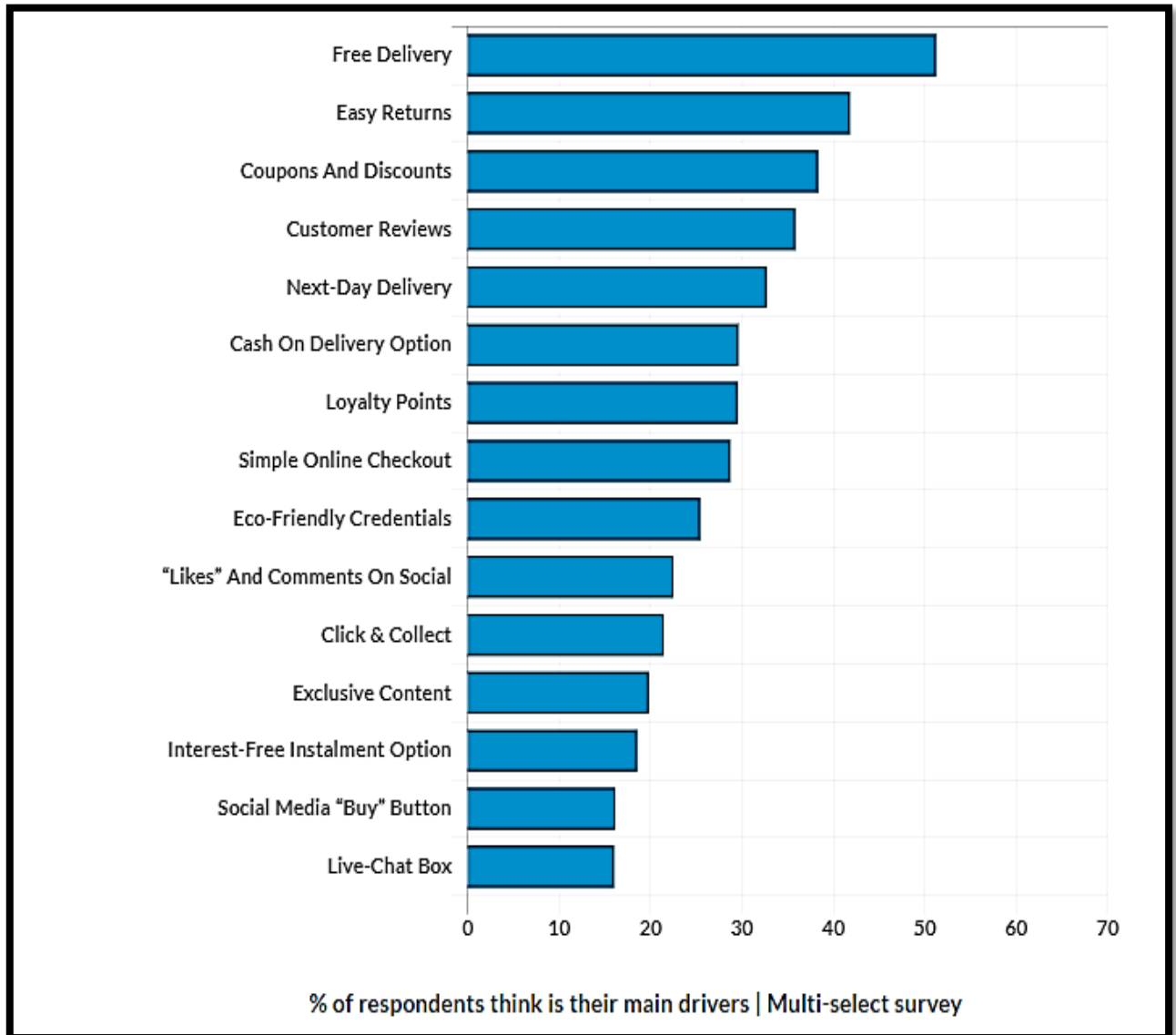
## Introduction:

In this fast-moving era, consumers are buying goods and services online. Online stores offer a wide range of products, including books, clothes, footwear, beauty products, furniture, household appliances, toys, gift cards, and hardware, software, and electronics items. This type of shopping comprises procuring goods and services through internet-based traders' websites. Generally, Customers log in, virtually search the store, and add preferred items to a virtual shopping cart until they are ready to buy. Online shopping is preferred for its convenience, competitive prices, wide-ranging variety, easy price comparison, and freedom from the pressure of upselling found in physical stores. It provides consumers with more alternatives compared to traditional shopping methods.

The process of consumer purchasing decisions entails a thorough sequence of stages that individuals navigate while contemplating, acquiring, and appraising a product or service. Consumer behavior provides a structured framework that directs these purchasing choices, encompassing diverse elements like product selection, timing of purchase, choice of vendor, method of purchase, and the source from which goods and services are procured. It involves final consumers, individuals, and households who make purchases for personal consumption. Consumer behavior is inclined by three main forces that lead to buying decisions: rationality, emotions, and external pressures. When purchasing a particular item, a person may act rationally, making decisions based on reason and logic. Alternatively, emotions may play a significant role, leading to decisions based on feelings or desires. In some cases, external pressures, such as family or social circumstances, may influence the buying process. The consumer decision-making process generally comprises five stages, as proposed by John A. Howard and Jagdish N. Seth in their book "The Theory of Consumer Behavior."



## Why Indian Consumers are Buying Online?



(Source: GWI.com - Q3, 2021)



## Online Users' Trends in India:

USERS		PENETRATION RATE										
in million users		2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027
Beauty, Health, Personal & Household Care		57.2	79.4	120.8	155.9	189.8	224.8	259.6	290.4	323.2	356.1	388.7
Beverages		34.6	46.6	69.8	87.1	108.4	132.1	155.1	175.7	197.7	218.0	238.6
Electronics		99.2	131.9	194.2	240.4	292.6	345.9	398.1	443.5	491.1	539.9	588.1
Fashion		111.8	140.7	196.0	232.6	274.9	320.4	363.7	403.8	446.2	487.5	528.7
Food		32.6	43.8	65.6	81.9	102.0	124.3	145.9	165.2	185.9	205.0	224.3
Furniture		35.4	51.2	82.4	109.1	144.3	183.6	225.4	262.4	302.3	335.7	370.4
Media		54.4	78.6	126.6	167.6	221.6	282.0	346.1	403.0	464.2	515.5	568.8
Toys, Hobby & DIY		65.9	92.7	145.2	188.4	243.6	305.8	369.3	425.1	485.1	537.6	591.4
Total		321.6	377.9	498.0	548.5	643.9	739.3	823.1	884.7	948.4	1,021.0	1,090.0

(Source: Statista Market Insights)

## Review of Literature:

**Chandra and Sinha (2013)** examined the complex socio-technical factors that affect online shopping behavior in the region of Bhilai Durg, India. While prior literature on the specified topic exists but the understanding remains limited due to its complex nature. To address this gap, the researcher conducted a survey involving 100 online shoppers in Bhilai Durg, and employed a descriptive-survey research design along with regression analysis to test the formulated hypotheses related to the influencing factors. Specifically, the study explored the influence of proposed risk and trust of purchase on consumer online buying intention. The findings of this study indicate higher online buying intention among male participants compared to their female counterparts and among individuals with higher levels of education. Furthermore, the study reveals a significant association between perceived risk and trust of purchase on consumer online buying intention. The insights obtained from this study can be of great value to e-commerce and marketing professionals seeking to comprehend and optimize online shopping behavior in the Bhilai Durg region.

**Jain et al. (2014)** discussed the Technology Acceptance Model (TAM) as a popular theory explaining online shopping behavior, emphasizing perceived usefulness and ease of use. Perceived enjoyment reflects the hedonic aspects. Convenience sampling was used to select Delhi's online shoppers, specifically higher

education students above 18 years. A self-structured questionnaire with a 5-point Likert scale measured perceived risk, enjoyment, usefulness, and ease of use. Regression analysis revealed that only Perceived Risk significantly impacted online shopping behavior, while the other factors had no effect. To promote trust in online shopping, companies should address Perceived Risk. The study's recommendations could contribute to the growth of Indian online retailing.

**Kanchan et al. (2015)** utilized a descriptive and analytical study approach through the survey. The research targeted consumers within the Bareilly region, employing a questionnaire as the primary data collection instrument. A preliminary study involving fifteen participants was conducted to enhance the questionnaire's quality, taking into account feedback received and expert recommendations. The conclusive phase of the study involved two-hundred participants hailing from the Bareilly district. These participants were chosen utilizing a convenience sampling method. The data analysis has been done through appropriate statistical tests. The questionnaire includes various scale-based questions to meet research objectives. The study found a notable connection between buying objectives and the demographic elements of consumers. Consumers also enjoyed numerous offers provided by online platforms. It provides useful understanding to marketers in decision-making and strategy formulation.

**Jadhav and Khanna (2016)** employed a qualitative research approach, convenience sampling technique, and depth interviews. The qualitative approach was used to understand aspects of persuading online ordering behavior between college students. A sample of 25 college students from the Somaiya Vidyavihar Campus in Mumbai was selected using convenience sampling. One-to-one depth interviews were conducted with each student to gather detailed information about their online buying behavior. Trust and customer service were also found to play crucial roles in influencing their online buying behavior. The study provides valuable insights into the factors shaping online purchasing decisions in this demographic. The outcome shows that collegians preferred variety, uniqueness, innovation, quality service, and affordable price as a buying option.

**Selvakumar and Raghavan (2017)** focused on the influence of lifestyle and attitude on online shopping, specifically in the context of mobile phone purchasing decisions. The study analyses data from consumers in Coimbatore and Chennai using factor analysis and ANOVA to determine the impact of lifestyle and attitude on purchasing decisions. The results show that lifestyle has a high influence on purchasing decisions, while attitude alone does not have a significant impact. However, when combined with lifestyle, attitude does have an influence on purchasing decisions. The paper highlights the importance of understanding consumer behavior patterns and lifestyle changes in order to effectively target online shoppers.

**Singh (2018)** examined consumer behavior for online buying in the Kangra district of Himachal Pradesh. The study was conducted on a sample of 300 respondents using a questionnaire to collect primary data. The results indicate that online shopping is popular among young consumers, especially students between the age group of 20-30 years. The study found that consumers are motivated by factors such as ease of purchasing, time-saving, cost-effectiveness, and availability of a broad range of products. The ease of purchasing through online was found to be the most popular factor among consumers. However, some factors such as the inability to physically touch, test, try, and see the products are hindrances to online shopping.

**Rungsrisawat, Joemsittiprasert, and Jernsittiparsert (2019)** used a quantitative approach with SPSS as the statistical tool to examine the determinants impacting consumers' online purchasing conduct in Malaysia. Perceived benefits and psychological factors like; security, privacy, and trust positively impact online purchases, while perceived risks have a negative correlation. The paper provides valuable insights for marketers and e-commerce managers to tailor strategies, enhance user experience, and address perceived risks to boost online sales. Additionally, it serves as an educational example for business students studying e-commerce behavior analysis, emphasizing the importance of region-specific studies considering cultural and economic & social factors. The outcome of the study is useful to marketers and business managers of e-commerce websites to improve their sales and customer satisfaction.

**Wadera and Sharma (2019)** identified the immediate purchase behavior of consumers toward apparel buying with the use of stimulus, organism, and response theory. The research includes one hundred and twenty-two consumers as a sample between the age of 18 to 45 for data collection with respect to fashion apparel online. The one-way ANOVA test, statistical mean, and other suitable data analysis tools have been used for the study. This insight contributes to a deeper understanding of consumer behavior in the digital retail space and has implications for e-commerce businesses and marketers looking to enhance their strategies to cater to Indian shoppers.

**Pandey and Parmar (2019)** explored the numerous elements that influence consumer behavior in the context of online shopping. The study used a descriptive research framework and implements purposive sampling with the aim to investigate individuals of online shopping within Kanpur City. The data has collected through a questionnaire. The study used exploratory factor analysis to identify important buying factors. The outcomes suggested that various demographics, psychographics, payment systems, offers,

digital platforms, and other facilities influence online buyers. It offers valuable insights for online retailers to shape their marketing strategies accordingly.

**Kumar Pal (2020)** examines the shift in online buying behavior of consumers before and after COVID-19, with a focus on Indian online shopping during the 21-day lockdown. The study highlights the crucial role of e-commerce and social media marketing for business survival. While internet marketing and online shopping are becoming mainstream, the paper acknowledges the pandemic's adverse impact on businesses. The paper advocates exploring unconventional models to gain a deeper understanding of consumer behavior during extraordinary circumstances. Moreover, adopting stronger consumer-service provider relationships is emphasized for navigating future uncertainties effectively.

**Aryani et. al. (2021)** inquired into the shopping preferences of Malaysian and Indian consumers throughout the COVID-19 time, examining the reasons behind their choices and the challenges encountered in their transactions. The study reveals that while online shopping has gained popularity due to its numerous benefits, traditional shopping is unlikely to be entirely replaced as many consumers still value the ability to physically examine products before making a purchase. The insights provided by this study offer valuable guidance to businesses seeking to enhance their online shopping platforms for potential future development. By understanding consumer preferences and addressing the challenges faced, businesses can effectively cater to the evolving needs of their customers in an ever-changing retail landscape.

**Alwani, Yadav, and Pradhan (2021)** intend to examine consumer attitudes regarding online shopping within Vadodara City of Gujarat state. It identifies key factors influencing customer behavior towards e-commerce websites like Amazon and Flipkart. The survey-based approach involved 200 respondents, collecting data on customer perceptions, payment methods, satisfaction levels, and loyalty towards different websites. The findings indicate overall satisfaction with online shopping compared to retail stores, but some barriers affect behavior, such as safety concerns, taxes, shipping costs, and warranty claims. As a result, online shopping was seen as beneficial for all consumers, offering variety and discounts, particularly during the pandemic when people prefer shopping from Amazon, Flipkart, and Myntra for safety reasons. Customers also value reviews given by other customers on numerous Apps and YouTube.

**Santhosh and Basavarajappa (2022)** explored consumer conduct in relation to online buying, with specific objectives of the impact of the Internet on retail systems and consumer behavior, scrutinizing classical behavior assumptions in the context of online shopping, exploring business's use of the Internet to reduce marketing costs and enhance competitiveness, and examining how customers utilize the internet to compare

prices, products, features, and after-sales support. The study adopts a survey-based methodology, collecting data from experienced online shoppers, and employs statistical tools such as frequency analysis and mean for data analysis. The results underscore the convenience of online shopping, the transformative influence of the internet on the global retail landscape, businesses leveraging it for cost reduction and competitive edge, and customers utilizing it to make informed decisions on purchases, including after-sales support evaluations. Understanding customer attitudes is emphasized as pivotal in establishing successful marketer-customer relationships.

### **Conclusion:**

This study demonstrates that the prospective landscape of online shopping in India looks promising, as the perception of consumers towards it is enlightening. The growing popularity of online shopping is because of its convenience, competitive prices, and wide product variety. Various factors like perceived risks, trust, and usefulness, ease of use, lifestyle, and impulsive buying tendencies impact consumer behavior. COVID-19 further accelerated the shift towards online shopping. To succeed, businesses must address perceived risks, provide a seamless user experience, and offer excellent customer service. E-commerce offers opportunities for broader reach, reduced marketing costs, and increased competitiveness. Understanding consumer preferences is vital for effective marketing strategies and remaining competitive in the evolving retail landscape.

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## **Analyzing the Determinants Influencing Investment Decisions of Generation Z in Mutual Fund Investment**

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### **Abstract**

This study aims to understand what factors influence Generation Z's investment decisions, specifically, those who are newly employed and just started investing in mutual funds. The objective of this study is to understand the factors that drive investment decisions into mutual funds of Generation Z, as they represent a dynamic and long-term customer segment. The study focuses on young adults in Ahmedabad and uses a survey with 60 participants.

The study's findings show that several factors significantly impact Generation Z's investment decisions in mutual funds. These factors include the historical performance of the fund, the level of risk involved, the expense ratio, the experience and track record of the fund manager, the diversification of the portfolio, and the tax efficiency of the investment. The study also examines the sources Generation Z relies on for information about mutual fund schemes.

The results of this research contribute to our knowledge by providing insights into the specific factors that influence Generation Z's investment decisions in mutual funds. This information is valuable for investors, fund managers, and policymakers who want to attract and retain Generation Z investors by making informed decisions and developing effective strategies.

To enhance future research, it is recommended to include a larger sample size to improve the study's reliability. Additionally, studying the influence of other variables such as market conditions and economic factors on investment decisions would be beneficial.

**Keywords:** Mutual funds, investment decisions, determinants, risk tolerance, past performance, expense ratios, fund manager expertise.

## Introduction

This topic explores the factors that influence Generation Z's investment decisions in mutual funds. Generation Z is becoming a significant force in finance, as they have distinctive views on money, technology, and society. This could lead to changes in how investments are approached. Since many of them have recently started their careers and are earning money, this study aims to analyze the factors that affect their investment choice.

Gen Z is really important for Financial planning and investment because they're a big group of people. They have a lot of time ahead to save and invest, plus they're good with technology. Their choices can shape what investments will be popular in the future. They care about values and want to invest in things that are good for the world. By understanding how they think and act with money, we can predict what might happen in the economy and how companies need to change. This matters a lot for everyone - people, businesses, and the whole money industry.

In India, there is a need for extensive research on the financial well-being of Indian Gen Z students, as India constitutes the largest population of Gen Z, with 472 million. The study explores the direct and indirect impact of the four factors, viz. financial literacy, financial fragility, financial behavior, and financial technology, on financial well-being. In addition, the study also tries to determine how Gen Z students' financial well-being is influenced by other factors such as gender, age, parental education, employment status, and monthly income in India. (Sajeev, 2021)

## Literature Review

Researchers Rathod, Chauhan, Maselena, and Vedy studied how academic millennial investors in Baroda City influenced their investment choices in 2022. The study aimed to examine how decision-making factors affected investors' investment times and jobs. ANOVA analysis of the data from a questionnaire-based study with a sample size of This emphasizes how crucial it is to comprehend outside factors while making financial decisions. (Rathod, 2022)

Urban working women are risk-averse and choose low-risk investments with high returns, according to a 2016 study on their views towards mutual fund investing in the Jaipur District of Rajasthan. A sample size of 100 working women in Jaipur, Because of their ignorance of mutual fund investing, they favour fixed and



bank deposits over mutual funds. Working women's preferences and problems might be addressed through educational programmers and awareness campaigns. (Purohit, 2016)

Research on the psychology of investors in Ahmedabad was carried out in 2022 by Karan Bhatt, Shreya Shah, and Bansari Panchal. this study was a questionnaire-based survey conducted among 100 participants. The data were analyzed using the ANOVA statistical tool. According to the findings, additional biases are adversely correlated with overconfidence, cognitive dissonance, regret aversion, and gambler's fallacy bias. (Bhatt, 2022)

2013 research by Sachdeva, Bhatia, and Kalra examined the evolution of behavioral finance and the ways in which investor behavior affects the choice of mutual fund plan. With a sample size of 100 participants, the study employed a primary research approach based on questionnaires. To examine other aspects impacting investors' behavior and decision-making processes, more study is required. (Sachdeva M. S., 2013)

Research on the connections between brand image, perceived quality, perceived risk, perceived value, and purchase intention among investors was undertaken in 2014 by Wang and Tsai. ANOVA statistical analysis and a questionnaire-based survey with 691 participants. The results demonstrated that brand image effects purchase intention favorably, with perceived quality being the main factors. (Wang, 2014)

In 2022, Sachdeva, Lehal, Gupta, and Gupta used a questionnaire-based survey to explore the impact of contextual variables on investment decision-making. According to the results, the most important components were accounting information, self-image coincidence, and impartial information, whereas advocate recommendations and individual financial demands had less of an impact. By highlighting the significance of taking contextual elements into account in understanding investor behavior and decision-making, this study makes a valuable contribution to the behavioral finance literature. (Sachdeva M. L., 2022)

In order to determine the degree of financial literacy among working women in Sullia Taluk, Manasa and Ishwara conducted a survey in 2022. The results of a questionnaire-based assessment involving 92 women showed that their level was below ideal. The study emphasizes the necessity of raising financial literacy and broadening women's investing alternatives awareness. Policymakers, financial institutions, and educators may utilize this to create targeted initiatives and programs to improve financial well-being and decision-making skills. (Manasa B. &., 2022)

In 2019, Hoa Thi Nguyen and Dung Thi Nguyet Nguyen conducted a study on mutual fund performance in Vietnam. The primary research method used in this study was observation, with a sample size of 216 mutual

funds. The study found a positive relationship between macroeconomics and mutual fund performance, as well as country-level governance factors like regulation effectiveness, political stability, economic growth, and financial development (Nguyen, 2019)

In 2020, Mahfuzur Rahman and Soon Sheng Gan conducted a study on the behavioral factors influencing investment decisions among Generation Y in Malaysia. The study used a questionnaire-based survey with a sample size of 502 participants. The findings revealed significant relationships between trait anxiety, overconfidence, self-monitoring, trait anger, and herding behavior. (Rahman, 2020)

In 2020, a study by Haritha P.H., Rashmi Uchil examined the influence of investor sentiment and its factors on investment decision-making in the Indian stock market. The study used a questionnaire-based survey with 100 participants, revealing that herding, media factors, advocate recommendations, and social interaction significantly influenced investor sentiment. Social interaction had the lowest influence on investor sentiment. (PH, 2020)

## **Research Methodology**

The study aims to examine the variables that affect mutual fund investment choices. To thoroughly describe these determinants, the study will employ a descriptive research methodology. In order to analyse the numerical data gathered from primary sources, namely survey data gathered through questionnaires, and data collected from 60 Participants. it will also use a quantitative research approach. Additionally, secondary sources like literature reviews will be used to fully comprehend the context and body of knowledge surrounding the subject.

Simple random sampling will be used to ensure unbiased participant selection, giving each mutual fund investor in the target population an equal chance of being included in the study. Given its suitability in analyzing the data, the questionnaire is selected as the appropriate data collection tool for this research.

## Data Analysis

Primary Investment Objectives					
Age	Capital Appreciation	For Future Planning	Income Generation	Wealth Preservation	Grand Total
18-25 years	24%	33%	35%	8%	100%
26-35 years	38%	0%	25%	38%	100%
46-55 years	0%	0%	0%	100%	100%
Below 18 Years	50%	50%	0%	0%	100%
<b>Grand Total</b>	<b>27%</b>	<b>28%</b>	<b>32%</b>	<b>13%</b>	<b>100%</b>

### Interpretation:

The data provides insights into the primary investment objectives based on different age groups.

For Age Group 18-25 years:

- Capital Appreciation is a primary investment objective for 24% of respondents in this age group.
- For Future Planning and Income Generation are also important investment objectives, with 33% and 35% of respondents considering them, respectively.
- Wealth Preservation is less of a priority for this age group, with 8% of respondents considering it.

*Table 2 Source of Information*

Source of Information					
Age	Advisory Firm	Financial Advisors	Media Sources	Online Research	Grand Total
18-25 years	5	15	3	26	49
26-35 years	1	3	2	2	8
46-55 years		1			1
Below 18 Years		2			2
<b>Grand Total</b>	<b>6</b>	<b>21</b>	<b>5</b>	<b>28</b>	<b>60</b>

### Interpretation:

The data provides insights into the sources of information used by different age groups for making investment decisions.

For Age Group 18-25 years:

- Online Research is the most common source of information, used by 53.06% of respondents in this age group.
- Financial Advisors and Advisory Firms are also significant sources of information, used by 30.61% and 10.20% of respondents, respectively.
- Media Sources are used by a smaller proportion of respondents (6.12%) in this age group.

**Table 3 Invested in Mutual Fund**

invested in Mutual Fund?			
Age	No	Yes	Grand Total
18-25 years	20	29	49
26-35 years	2	6	8
46-55 years		1	1
Below 18 Years		2	2
<b>Grand Total</b>	<b>22</b>	<b>38</b>	<b>60</b>

**Interpretation:**

The data provides insights into the number of respondents who have invested in Mutual Funds based on different age groups.

For Age Group 18-25 years:

- 59.18% of respondents in this age group have invested in Mutual Funds.
- 40.82% of respondents in this age group have not invested in Mutual Funds.

**Table 4 Internal Factors**

Internal Factors	Column Labels						
Age	Fund Fees And Expenses	Fund Manager's Track Record	Fund's Reputation And Brand Name	Fund's Risk Profile	Historical Performance Of MF	Investment Strategy And Approach	Grand Total
18-25 years	6	10	2	11	9	11	49
26-35 years	1	1		1	3	2	8
46-55 years					1		1
Below 18 Years					2		2
<b>Grand Total</b>	<b>7</b>	<b>11</b>	<b>2</b>	<b>12</b>	<b>15</b>	<b>13</b>	<b>60</b>

**Interpretation:**

The data provides insights into the internal factors that influence investment decisions based on different age groups.

For Age Group 18-25 years:

- Fund's Risk Profile and Fund Manager's Track Record are the most influential factors, as indicated by 22.45% and 20.41% of respondents, respectively.
- Investment Strategy and Approach, Fund Fees and Expenses, and Historical Performance of MF are also considered significant by respondents in this age group.

**Table 5 External Factors**

<b>External Factor</b>						
<b>Age</b>	<b>Economic Conditions</b>	<b>Market Trends and Outlook</b>	<b>Media Coverage and Financial News</b>	<b>Political Events and Policies</b>	<b>Recommendations from Financial Advisors or Professionals</b>	<b>Grand Total</b>
18-25 years	14	20	6	6	3	49
26-35 years	2	2	1	1	2	8
46-55 years	0	1	0	0	0	1
Below 18 Years	2	0	0	0	0	2
<b>Grand Total</b>	<b>18</b>	<b>23</b>	<b>7</b>	<b>7</b>	<b>5</b>	<b>60</b>

**Interpretation:**

The data provides insights into the external factors that influence investment decisions based on different age groups.

For Age Group 18-25 years:

- Market Trends and Outlook is the most significant external factor, influencing investment decisions for 40.82% of respondents in this age group.
- Economic Conditions and Political Events and Policies are other significant external factors that influence investment decisions for respondents in this age group.

*Table 6 Analyse risk in the mutual fund*

<b>Analyst The Risk in Mutual Fund</b>						
	<b>Analyzing Historical Performance</b>	<b>Assessing the Fund's Holdings and Diversification</b>	<b>Considering My Own Risk Tolerance</b>	<b>I Don't Assess the Risk</b>	<b>Relying on Expert Ratings or Risk Metrics</b>	<b>Grand Total</b>
18-25 years	12	14	8	3	12	49
26-35 years	2	3	2		1	8
46-55 years	1	0	0	0	0	1
Below 18 Years	1	0	0	0	1	2
<b>Grand Total</b>	<b>16</b>	<b>17</b>	<b>10</b>	<b>3</b>	<b>14</b>	<b>60</b>

**Interpretation:**

The data provides insights into the factors considered when analyzing the risk associated with investing in Mutual Funds based on different age groups.

For Age Group 18-25 years:

- Assessing the Fund's Holdings and Diversification is the most significant factor considered when analyzing the risk, as indicated by 28.57% of respondents in this age group.
- Analyzing Historical Performance and Relying on Expert Ratings Or Risk Metrics are also considered significant factors, each mentioned by 24.49% of respondents in this age group.
- Considering My Own Risk Tolerance is considered by 16.33% of respondents in this age group.

*Table 7 Most influence factor*

Mostly Influence Factor					
	Advertisements Of Mutual Fund	Future Goals	Recommendations From Family And Friends	Recommendations From Financial Advisors	Grand Total
18-25 years	4	20	7	18	49
26-35 years	0	3	1	4	8
46-55 years	1	0	0	0	1
Below 18 Years	1	0	1	0	2
<b>Grand Total</b>	<b>6</b>	<b>23</b>	<b>9</b>	<b>22</b>	<b>60</b>

**Interpretation:**

The data provides insights into the factors that mostly influence investment decisions based on different age groups.

For Age Group 18-25 years:

- Concern About Your Future Goals is the most significant factor that mostly influences investment decisions, as indicated by 40.82% of respondents in this age group.
- Recommendations from Financial Advisors is also a significant factor that influences investment decisions for 36.73% of respondents in this age group.

**Table 8 Frequency of Portfolio Analysis**

<b>Frequency of Portfolio analysis</b>						
	<b>Half Yearly</b>	<b>Monthly</b>	<b>Not Applicable</b>	<b>Quarterly</b>	<b>Yearly</b>	<b>Grand Total</b>
18-25 years	7	16	13	8	5	49
26-35 years		5	2		1	8
46-55 years		1				1
Below 18 Years		2				2
<b>Grand Total</b>	<b>7</b>	<b>24</b>	<b>15</b>	<b>8</b>	<b>6</b>	<b>60</b>

**Interpretation:**

The data provides insights into the frequency of portfolio analysis among respondents based on different age groups.

For Age Group 18-25 years:

- Monthly is the most frequent frequency of portfolio analysis, indicated by 32.65% of respondents in this age group.
- Not Applicable (indicating that some respondents do not analyze their portfolios) is the second most common response, accounting for 26.53% of respondents in this age group.
- Half Yearly and Quarterly are other frequencies of portfolio analysis considered by respondents in this age group.



*Table 9 Reason for Selling or Redeeming MF*

<b>Reason for Selling or Redeeming MF</b>	<b>Column Labels</b>					
<b>Row Labels</b>	<b>Economic Crises</b>	<b>Market Trends and Outlook</b>	<b>Media Coverage and Financial News of MF Company</b>	<b>Political Events and Policies</b>	<b>Recommendations from Financial Advisors or Professionals</b>	<b>Grand Total</b>
18-25 years	11	21	8	3	6	49
26-35 years	3	1	1		3	8
46-55 years		1				1
Below 18 Years	1		1			2
<b>Grand Total</b>	<b>15</b>	<b>23</b>	<b>10</b>	<b>3</b>	<b>9</b>	<b>60</b>

**Interpretation:**

The data provides insights into the reasons for selling or redeeming Mutual Funds based on different age groups.

For Age Group 18-25 years:

- Market Trends and Outlook is the most significant reason for selling or redeeming Mutual Funds, as indicated by 42.86% of respondents in this age group.
- Economic Crises is another significant reason considered by 22.45% of respondents in this age group.
- Recommendations from Financial Advisors or Professionals and Media Coverage and Financial News of MF Company are also considered by some respondents in this age group.

*Table 10 Reaction on Market Volatility Or Economic Uncertainty*

<b>Reaction on Market Volatility or Economic Uncertainty</b>						
	<b>Adjust Portfolio Allocation Based on Market Conditions</b>	<b>Other</b>	<b>Seek Advice from A Financial Professional</b>	<b>Stay Invested and Don't Make Any Changes</b>	<b>Withdraw Investments and Move to Safer Options</b>	<b>Grand Total</b>
18-25 years	21	5	12	10	1	49
26-35 years	3	2	1	1	1	8
46-55 years	1					1
Below 18 Years				1	1	2
<b>Grand Total</b>	<b>25</b>	<b>7</b>	<b>13</b>	<b>12</b>	<b>3</b>	<b>60</b>

**Interpretation:**

The data provides insights into how individuals react to market volatility or economic uncertainty based on different age groups.

For Age Group 18-25 years:

Adjust My Portfolio Allocation Based on Market Conditions is the most common reaction to market volatility or economic uncertainty, as indicated by 42.86% of respondents in this age group.

- Seek Advice from A Financial Professional and Stay Invested and Don't Make Any Changes are also common reactions considered by respondents in this age group.

*Table 11 Satisfaction level*

Satisfaction level							
Age	Dissatisfy	Highly Dissatisfy	Highly Satisfy	I Haven't Invested Yet	Neutral	Satisfy	Grand Total
18-25 years	3	2	11	8	12	13	49
26-35 years	2		1	1	1	3	8
46-55 years						1	1
Below 18 Years	1		1				2
<b>Grand Total</b>	<b>6</b>	<b>2</b>	<b>13</b>	<b>9</b>	<b>13</b>	<b>17</b>	<b>60</b>

**Interpretation:**

The data provides insights into the count of satisfaction levels among respondents based on different age groups.

For Age Group 18-25 years:

- Satisfy is the most common satisfaction level, as indicated by 26.53% of respondents in this age group.
- Neutral is the second most common satisfaction level, accounting for 24.49% of respondents in this age group.
- Highly Satisfy is another significant satisfaction level considered by 22.45% of +respondents in this age group.

*Table 12 Rate the Mutual Fund*

<b>Rate The Mutual Fund</b>						
<b>Age</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>Grand Total</b>
18-25 years	3	5	13	13	15	49
26-35 years			3	4	1	8
46-55 years				1		1
Below 18 Years	1		1			2
<b>Grand Total</b>	<b>4</b>	<b>5</b>	<b>17</b>	<b>18</b>	<b>16</b>	<b>60</b>

**Interpretation:**

The data provides insights into the ratings given by respondents to the Mutual Fund based on different age groups.

For Age Group 18-25 years:

- Rating 5 is the most common rating given by respondents in this age group, as indicated by 30.61% of respondents.
- Ratings 3 and 4 are also frequently given by respondents, with 26.53% of respondents each.

**Findings**

Among the total respondents across all age groups (60 individuals), 38 individuals (63.33%) have invested in Mutual Funds, indicating that a majority of the respondents have chosen to invest in Mutual Funds.

Overall, the data shows that different age groups prioritize investment objectives differently. Capital Appreciation and Income Generation are common objectives across age groups, but the importance of Future Planning and Wealth Preservation varies based on the age group.

Online Research is the most popular source of information to make investment decisions, with 46.67% of respondents relying on Internet resources for investment information. Financial advisors are the second most popular source, with 35.00% of respondents seeking their advice to make investment decisions.

The most common Internal factors which affect the respondent's Investment Behaviors are the historical performance of the mutual fund (25.00%), and the investment strategy and approach (21.67%). and the fund's risk profile (20.00%). The fund manager's track record (18.33%) is also a significant consideration for respondents.

The data indicates that external factors play a role in influencing investment decisions across all age groups. Market trends and outlook are the most significant factors, with (38.33%) of respondents considering them. Economic conditions also have a substantial influence, with (30%) of respondents taking them into account. The data suggests that individuals use different methods to assess the risk in mutual funds. Out of many “Assessing the fund's holdings and diversification” with 28.33% and “Analyzing historical performance and of respondents” with 26.67% are the most common approaches.

The data find that individuals Influence from various factors when making investment decisions. Their concerns about future financial goals are the Mostly important, 38.33% of respondents prioritizing this factor. Recommendations from financial advisors are also highly influential, with 36.67% of respondents relying on expert advice.

The data reveals the varied frequency of portfolio analysis among respondents investing in mutual funds. Monthly analysis is the most prevalent, with 40.00% of respondents reviewing their portfolios on a monthly basis. This indicates a proactive approach to monitoring and managing their investments.

The data indicates that individuals consider various factors when deciding to sell mutual funds. Market trends and outlook hold the most significant influence, with 38.33% of respondents and Economic crises with 25% of respondents respectively mentioning them as reasons for selling or redeeming mutual funds.

The data reveals that respondents have varied reactions to market volatility or economic uncertainty. The most respondent is to adjust portfolio allocation based on market conditions, with 41.67% of respondents adopting this approach. Seeking advice from financial professionals is also a popular choice, with 21.67% of respondents valuing professional guidance during uncertain market times.

The data indicates a diverse range of satisfaction levels among respondents with mutual funds. The majority of respondents fall into two categories: those who are either satisfied (28.33%) or highly satisfied (21.67%) with their mutual fund investments. This suggests that a significant portion of respondents is content with their mutual fund experience.

The data illustrates that respondents' ratings for the mutual fund on the basis of Safety & Trust Worthiness are distributed across a range of values. The majority of respondents (30.00%) rate the mutual fund with a score of 4, suggesting a high level of satisfaction or positive performance perception. Additionally, 26.67% of respondents give the mutual fund the highest rating of 5, further confirming a significant proportion of highly satisfied investors.

## Conclusion

Internal factors (historical performance, investment strategy, risk profile, and fund manager's track record) and external factors (market trends, economic conditions, and financial goals) significantly impact investment decisions.

Respondents commonly use fund holdings assessment and monthly portfolio analysis for risk evaluation and proactive management.

Market trends and economic conditions have the greatest influence on selling decisions during market volatility, leading to portfolio adjustments and seeking advice from financial professionals.

Overall, respondents show diverse satisfaction levels with mutual funds, with a significant proportion being satisfied or highly satisfied.

### Limitations of the Study:

1. **Geographic Scope:** The present research is confined to respondents exclusively from Ahmedabad City due to limitations in available resources. Therefore, caution is warranted when generalizing the findings to broader geographic areas. Conducting the study across diverse locations would enhance the depth and applicability of insights.
2. **Sampling Method:** The study's participant pool was drawn exclusively from a convenient sampling method, primarily consisting of individuals connected to the finance field, including a senior from college with professional experience. For a more comprehensive perspective, it is recommended to incorporate respondents from a wider array of fields, allowing for a richer and more holistic analysis.
3. **Behavioral Factors:** An important aspect absent from this research pertains to the influence of behavioral factors on investment decisions in the contemporary landscape. Recognizing the growing significance of these factors in shaping investment choices, their omission from this study represents a limitation. Future research endeavors could consider integrating this crucial dimension to offer a more comprehensive understanding.

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## **Impact Of Capital Structure on Profitability of GSFC Ltd.**

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### **Abstract**

Capital structure differs from company to company, industry from industry as it depends upon numerous factors like business size, earnings, creditworthiness, taxation policy and many more. The capital structure is affected by the liquidity and flexibility of the firm. There are several capital structure theories being made by the famous researchers to prove profitability of the firm is related to the capital structure. The objective of this study was to examine the impact of capital structure on the profitability and value of the firm i.e., GSFC Ltd. Net income theory was used to study the impact of leverage on the value of the firm which proved to be successful as when the debt is increased it leads to increase in the value of the firm as the overall cost of capital reduces. Hypothesis were created to prove the impact of capital structure ratios on profitability of the firm with the help of correlation and regression model. Net profit, Interest coverage ratio, debt ratio and debt to equity ratio showed that there is a positive correlation between interest coverage ratio and net profit of the firm while there is negative correlation between debt ratio and debt to equity ratio with net profit.



**Keywords:** Capital Structure, Net Income Theory, Profitability, Valuation, GSFC, Debt Ratio, Interest Coverage Ratio

## Introduction

There are two main sources of finance for a business firm which are debt and equity. Capital Structure refers to the proportion between the various long term's sources of finance in the total capital of the enterprises. The strategic financial decision which involves making an appropriate mix of debt and equity finance in a firm's capital structure is known as a capital structure decision. It is a particular combination of debt and equity used by a company to finance its overall operations and growth.

Equity means a permanent source of capital which is kind of expensive as the part of ownership is being given to the shareholders. By issuing equity shares in the market the company allows the shareholders to benefit from the future cash flows and profits. Debt is considered cheaper as compared to equity because the firm only needs to pay interest to the lenders at a regular interval, and the interest that the firm pays to the lenders of the debt can be converted back by applying for the tax deduction while paying the taxes. Unlike equity debt allows the firm to retain its ownership.

Financial ratios are being used by the analysts and investors to determine the financial position of a particular company. For analyzing the capital structure of any company ratios like debt-to-equity ratio, debt ratio, Return on Capital Employed (ROCE), Return on Equity (ROE), Interest coverage ratio and Return on Assets (ROA) are used.

## Literature Review

**India Nisha Prakash, Aditya Maheshwari and Aparna Hawaladar (2022)** The researchers have made an attempt to study the effect of pandemic on the capital structure of the emerging economies. Due to the pandemic all the economies have suffered so after the pandemic how the companies were able to continue their businesses and what proportion of debt and equity they are keeping after the pandemic. The leveraging ratios have been used on different companies in two-time frames one before pandemic and other after pandemic. The researchers concluded that only long-term leverage ratios have been impacted due to the pandemic.

**Houshang Habibniya, Suzan Dsouza, Mustafa Raza Rabbani, Nishad Nawaz and Restart Demi raj (2022).** In a business scenario it either goes for equity financing or debt financing, the problem with debt financing is that it comes with a kind of risk but it also acts as a source of increased profitability. The researchers have taken sample of telecom industry of USA, for pooled panel regression analysis 72 firms were selected out of 472 firms. The study was done to study the impact of capital structure on profitability in the telecom industry of the USA. The study revealed that total liabilities to total assets and total equity to total assets have no impact on Return on Assets.

**Dr. P. Kanagraju, S. Sathya (2021).** Perfect combination of debt and equity forms the capital structure of a company. Being a multinational corporation has some advantages over and above the domestic companies in things like different forms of debt raising, better options to generate profit etc. the significant determinants of capital structure are found out by this study which are size, return on sales, return on assets and profit.

**Thacharakkal Cannoth, Muhammed Jadheer (2020):** The researcher aims to investigate how capital structure decisions affect the performance of retail sector organizations in India also aims to explore the relationship between a firm's financial performance and its capital structure choices, in order to assess the importance of adopting an optimal capital structure for reducing liquidity risk and promoting long-term growth and sustainability in the retail sector.

**Hirdinis M (2019)** This research was done to check the influence of capital structure and firm size on value of the firm moderated by profitability. Mining sector companies which were listed on IDX were taken as samples and multiple regression was done using the tools like SPSS 22. By comparing the two different regression analysis it can be concluded that profitability does not influence capital structure and firm value.

**Shalini R, Mahua Biswas (2019)** the researcher tries to examine the factors influence in the capital structure of 416 companies across 14 industrial sectors listed in S&P BSE 500. This study uses multiple regression model for analysis. It analysis the factors which influence capital structure of companies belonging to industrial sectors.

**Rosy Dhingra, Dr. Madhuri Gupta, and Dr. Kapil Dev (2018)** the study investigates the impact of financial variables on the capital structure of it companies listed on BSC. This study uses data panel for analysis. For analysis it finds that long term profitability and significant positive influence on leverage while size, liquidity and financial strength are negatively correlated with leverage.

**Chandrika Prasad Das and Rabindra Kumar Swain (2018)** The researchers have done this study to find out the various determinants of capital structure and its impact on financial performance of the firms. For research the secondary data has been used of top 50 manufacturing firms. Regression model has been used to find out the relation between the determinants and the capital structure. The research concluded that capital structure and profitability have a direct relationship and it significantly impacts the financial performance of the firms.

**Dhananjay K and Krishna Raj (2017)** The researchers made an effort to understand how market value affected the capital structure choices made by Indian manufacturing companies. They discovered that market value has a negative long-term and short-term impact on debt ratio, indicating the practice of market timing. The study demonstrates that changes in equity issues, rather than adjustments to retained earnings or debt retirement, are to blame for this adverse effect.

**Setiadharm S and Machali M (2017)** The researcher tries to examines the relationship between asset structure, firm size, and firm value in property and real estate firms listed on the Indonesia Stock Exchange. The findings indicate that asset structure has a direct effect on firm value, but capital structure does not mediate the relationship between asset structure and firm value. Additionally, firm size does not have a direct or indirect effect on firm value with capital structure as an intervening variable.

**S Buvanendra, P. Sridharan, S. Thiyagarajan (2017)** This study examines the determinants of speed of adjustment towards the optimal capital structure of listed firms in Sri Lanka and India. This study is done suing dynamic adjustment model. It is observed that there are international differences existing in determinants of capital structure between both the countries also firms partly adjust to optimal capital structure over time.

**Sorana Vatavu (2015)** The researcher explains the relationship between capital structure and financial performance in Romanian manufacturing companies is influenced by factors such as equity financing, debt usage, asset tangibility, tax, risk, liquidity, and inflation. The analysis is based on cross sectional regressions. The analysis suggests that higher performance is observed when companies rely more on equity and minimize debt.

**Kashan Pirzada, Mohd Zulkhairi Bin Mushtapha, Danture Wickramasinghe (2015)** the research is done on thirty listed companies of Malaysia to find out the impact of institutional ownership on firms' performance and capital structure. The metrics like Return on Asset, Return on Equity, Earnings per Share, Price to Earnings ratio have been used. The results showcase that there is no significant relationship of

institutional ownership to influence on capital structure which is measured by long term to debt ratio. Researchers can say that Malaysian firms depend more on internal sources of capital rather than external.

**Anshu Handoo, Kapil Sharma (2014)** The researchers wanted to find out the most important capital structure determinants of private and government sector companies of India. For the study purpose regression analysis was done on ten independent variables. The results showed the leveraging pattern of different firms according to the factors like profitability, tax rate, growth rate etc.

**Ciaran Mac an Bhaird, Brian Lucey (2014)** Many researches have been done on various factors affecting the capital structure but one area which is cultural influence is left untouched. The researchers wanted to find out the impact of cultural influences on the capital structure of small and medium sized enterprises. The research showed that the short-term debt grows when debtors delay payments and decreases as credit extends.

**Sandip Sinha, Pradip Kr. Samanta (2014).** The impact of capital structure on profitability usually calculated or measured by the regression models. The researchers tried to figure out the effect of certain determinants of the capital structure of Indian cement companies using the quantile regression technique. The study showed that there is no direct relationship between the leverage and the firm specific determinants of capital structure but this study was limited to a particular sector only.

**Kaushik Basu and Meenakshi Rajeev (2013):** This study investigates the influence of capital market regulations on capital structure decision of Indian corporate firms, and explores the explanatory power of firm-specific and institutional factors in relation to the static trade-off theory and pecking order hypothesis. The finding suggest that institutional factors play a significant role in financial decision, with capital market regulations in India having an adverse impact on public debt usage and a favorable impact on equity capital usage.

**Dr. Mohammad Fawzi Shubita and Dr. Mohammad Fawzi Shubita (2012)** The researchers have carried forward the research of Abor's and Gill findings regarding the effect of capital structure on profitability by analyzing the effect of capital structure on profitability of various industrial companies listed on Amman Stock exchange. The study indicated that debt and profitability are negatively correlated which means that if the portion of debt is increased it leads to decrease in the profitability of the firm.

**Syed Muhammad Javed Iqbal (2012)** The researchers have analyzed all the theories of capital structure starting from the irrelevance theory to the relevance theory. To make it more understandable they have made

comparisons and contradictions between the theories. This research is an attempt to make capital structure theories more realistic.

**Saumitra N. Bhaduri (2002).** The author presented views on the capital structure choice of developing nations with the help of a case study of the Indian corporate sector. This paper employs dynamic panel data models to find cost restructuring and differential costs of adjustment for long term and short-term borrowing. The research suggests that there is a chance of optimal capital structure which is significantly influenced by the variables like size, asset structure, profitability, and short-term financial distress cost.

### **Research Methodology**

Capital structure has been an important aspect in determining the success of the business in the long run. Many researchers have proved that there is a relationship between the leverage and the profitability of the firm and there are some researchers who have proved the opposite. This has created a lot of confusion for the top management. This is why a need arise to conduct research which justifies whether there is an impact of leverage on the profitability of the firm.

### **Objective**

- To examine the impact of capital structure on the profitability of the firm
- To analyses changes in capital structure through Net Income theory approach
- To examine impact of different ratios on profitability

### **Research Design**

The descriptive research design is used to study the capital structure of GSFC Ltd Since the data analysis is being done on the basis of annual reports of the company which is publicly available on the website of the company.

### **Data collection**

Secondary data has been collected from the annual reports of the company.

### **Sample Size**

The study is being done on a single company i.e., GSFC Ltd.

### **Time frame**

Data is calculated for the period of five years i.e., 2018 to 2022.

## **Data Analysis Tools**

In this study, we have applied the following statistical tools:

- Mean
- Standard deviation
- Ratios
- Corelation
- Regression

## **Hypothesis Formulation**

### **Hypothesis 1:**

Ho- There is no significance relation between capital structure ratios with net profit.

Ha1- There is a significance relation between capital structure ratios with net profit.

### **Hypothesis 2:**

Ho – There is no significance impact of Interest Coverage Ratio on Net Profit.

Ha2 - There is a significance impact of Interest Coverage Ratio on Net Profit.

### **Hypothesis 3:**

Ho - There is no significance impact of Debt Ratio on Net Profit.

Ha3 - There is a significance impact of Debt Ratio on Net Profit.

### **Hypothesis 4:**

Ho - There is no significance impact of Debt-to-Equity Ratio on Net Profit.

Ha4 - There is a significance impact of Debt-to-Equity Ratio on Net Profit.

### **Hypothesis 5:**

Ho - There is no significance impact of Debt-to-Equity Ratio on Return on Capital Employed.

Ha5 - There is a significance impact of Debt-to-Equity Ratio on Return on Capital Employed.

### **Hypothesis 6:**

Ho - There is no significance impact of Debt-to-Equity Ratio on Return on Assets.

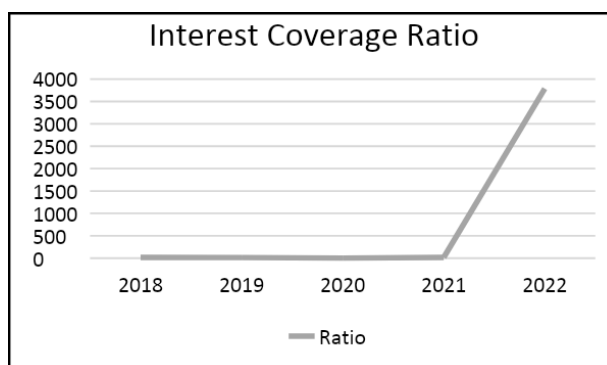
Ha6 - There is a significance impact of Debt-to-Equity Ratio on Return on Assets.

## Data Analysis

**Table 1: Calculation of Interest Coverage Ratio**

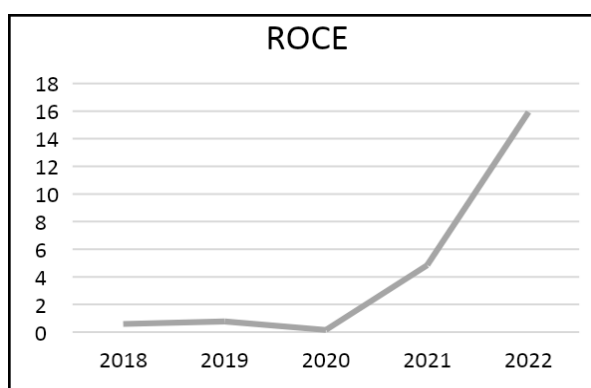
Interest Coverage Ratio			
	EBIT	Interest Exp	Ratio
<b>2022</b>	131451.56	34.72	3786.05
<b>2021</b>	55605.52	3263.6	17.04
<b>2020</b>	24166.82	10535.68	2.29
<b>2019</b>	72667.76	5073.58	14.32
<b>2018</b>	54214.26	3544.2	15.30

An indicator of a company's ability to meet its interest costs on its obligations is the interest coverage ratio. It is useful to determine whether a business is making enough money to pay the or interest on its bonds loans.



**Table 2: Comparison of ROCE with Net Profit**

ROCE demonstrates how successfully a business utilises its capital (debt as well as equity) to produce profits.

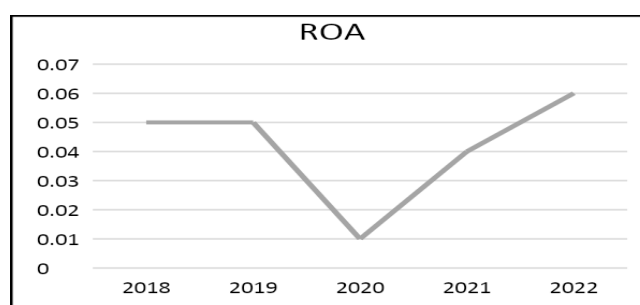


**Table 3: Calculation of ROCE**

ROCE					
	EBIT	Total Equity	Total Debt	Total	Ratio
<b>2022</b>	131451.6	7969.55	282.27	8251.82	15.93
<b>2021</b>	55605.52	7969.55	3500.97	11470.52	4.85
<b>2020</b>	24166.82	7969.55	141241.5	149211	0.16
<b>2019</b>	72667.76	7969.55	86868.79	94838.34	0.77
<b>2018</b>	54214.26	7969.55	84090	92059.55	0.59

**Table 4: Comparison of ROA with Net Profit**

ROA is a financial metric that assess how well a business uses its resources to produce revenues or profits. It shows how much profit a business makes in comparison to all of its assets.

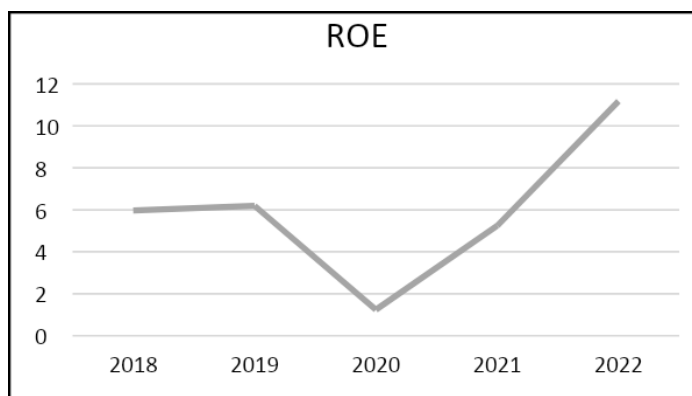
**Table 5: Calculation of ROA**

ROA			
Years	Net Income	Total Asset	Ratio
<b>2022</b>	89089.93	1397495	0.06
<b>2021</b>	41767.05	1101855	0.04
<b>2020</b>	9869.64	1002429	0.01
<b>2019</b>	49368.45	1035122	0.05
<b>2018</b>	47573.35	1024001	0.05



**Table 6: Comparison of ROE with Net Profit**

ROA is a financial ratio that assesses a company's profitability from the standpoint of its shareholders. It displays the amount of profit a business makes in relation to the capital shareholders have placed in it.

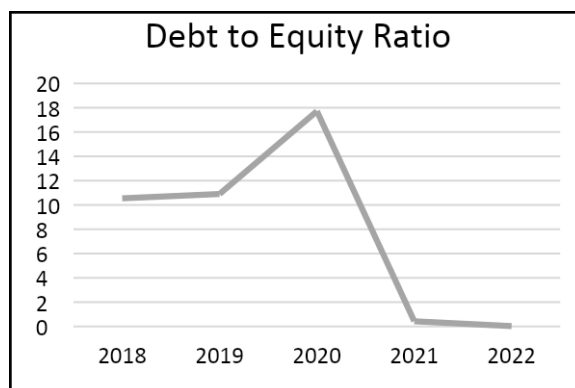
**Table 7: Calculation of ROE**

ROE			
Years	Net Income	Equity	Ratio
2022	89089.93	7969.55	11.18
2021	41767.05	7969.55	5.24
2020	9869.64	7969.55	1.24
2019	49368.45	7969.55	6.19
2018	47573.35	7969.55	5.97

**Table 8: Calculation of Debt-to-Equity Ratio**

Debt to Equity Ratio			
	Total Debt	Total equity	Ratio
2022	282.27	7969.55	0.04
2021	3500.97	7969.55	0.44
2020	141241.5	7969.55	17.72
2019	86868.79	7969.55	10.90
2018	84090	7969.55	10.55

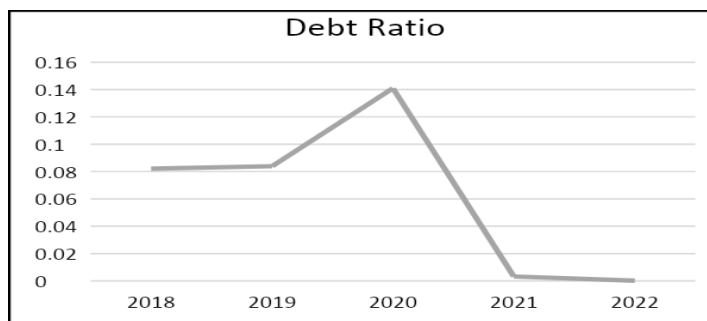
The debt-to-equity ratio is a financial measure that helps to understand how a company is financing its operations and growth. It compares the amount of money a company owes (debt) to the amount of money invested by its shareholders (equity).



**Table 9: Calculation of Debt Ratio**

Debt ratio is a financial measure of how much a business or person owes in relation to their total assets. It allows you to determine how much of their assets are financed by debt.

Debt Ratio			
Years	Total Debt	Total value	Ratio
2022	282.27	1397494.89	0.0002
2021	3500.97	1101854.87	0.0032
2020	141241.45	1002428.9	0.1409
2019	86868.79	1035121.59	0.0839
2018	84090	1024000.51	0.0821



## Chapter 5: Hypothesis Testing

### Hypothesis 1:

Ho- There is no significance relation between capital structure ratios with net profit.

Ha1- There is a significance relation between capital structure ratios with net profit.

The Correlation model of the Capital Structure ratio on Net Profit.

**Table 10: Variables of Correlation Model**

ROCE	ROA	NP	Interest Coverage Ratio	Debt Ratio	Debt to Equity Ratio
0.59	0.05	47573.35	15.3	0.0821	10.55
0.77	0.05	49368.45	14.32	0.0839	10.9
0.16	0.01	9869.64	2.29	0.1409	17.72
4.85	0.04	41767.05	17.04	0.0032	0.44
15.93	0.06	89089.93	3786.05	0.0002	0.04

**Table 11: Correlation Model of Capital Structure Ratios with Net Profit**

CORELATION				
	<i>NP</i>	<i>Interest Coverage Ratio</i>	<i>Debt Ratio</i>	<i>Debt to Equity Ratio</i>
NP	1			
Interest Coverage Ratio	0.941493648	1		
Debt Ratio	-0.620906752	-0.8409723	1	
Debt to Equity Ratio	-0.603325271	-0.829331272	0.999736616	1

### Hypothesis 2:

Ho – There is no significance impact of Interest Coverage Ratio on Net Profit.

Ha2 - There is a significance impact of Interest Coverage Ratio on Net Profit.

The regression model of the Interest Coverage ratio on Net Profit.

**Table 12: Comparison of ICR with Net Profit**

Interest Coverage Ratio					
Year	2018	2019	2020	2021	2022
Net Profit	47573.35	49368.45	9869.64	41767.05	89089.93
Ratio	15.3	14.32	2.29	17.04	3786.05

**Table 13: Regression Model of ICR on the Net Profit**

Regression Statistics	
Multiple R	0.825469212
R Square	0.68139942
Adjusted R Square	0.575199227
Standard Error	18383.20328
Observations	5

**Hypothesis 3:**

Ho - There is no significance impact of Debt Ratio on Net Profit.

Ha3 - There is a significance impact of Debt Ratio on Net Profit.

The regression model of Debt ratio on the Net Profit.

**Table 14: Comparison of Debt Ratio with Net Profit**

Debt Ratio					
Year	2018	2019	2020	2021	2022
Net Profit	47573.35	49368.45	9869.64	41767.05	89089.93
Ratio	0.0821	0.0839	0.1409	0.0032	0.0002

**Table 15: Regression Model of Debt ratio on the Net Profit**

<i>Regression Statistics</i>	
Multiple R	0.762628464
R Square	0.581602174
Adjusted R Square	0.442136232
Standard Error	21066.51119
Observations	5

**Hypothesis 4:**

Ho - There is no significance impact of Debt-to-Equity Ratio on Net Profit.

Ha4 - There is a significance impact of Debt-to-Equity Ratio on Net Profit.

The regression model of Debt-to-Equity ratio on the Net Profit.

**Table 16: Comparison of Debt-to-equity ratio with Net Profit**

<b>Debt to Equity Ratio to Net Profit</b>					
<b>Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Net Profit</b>	47573.35	49368.45	9869.64	41767.05	89089.93
<b>Ratio</b>	10.55	10.9	17.72	0.44	0.04

**Table 17: Regression Model of Debt-to-Equity Ratio on the Net Profit**

<i>Regression Statistics</i>	
Multiple R	0.75748414
R Square	0.573782222
Adjusted R Square	0.431709629
Standard Error	21262.46878
Observations	5

**Hypothesis 5:**

Ho - There is no significance impact of Debt-to-Equity Ratio on Return on Capital Employed.

Ha5 - There is a significance impact of Debt-to-Equity Ratio on Return on Capital Employed.

**Table 18: Comparison of Debt-to-Equity ratio with ROCE**

<b>Debt to Equity Ratio to ROCE</b>					
<b>Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>ROCE</b>	0.59	0.77	0.16	4.85	15.93
<b>Ratio</b>	10.55	10.9	17.72	0.44	0.04

**Table 19: Regression Model of Debt-to-Equity Ratio on the ROCE**

<i>Regression Statistics</i>	
Multiple R	0.772507362
R Square	0.596767625
Adjusted R Square	0.462356833
Standard Error	4.902255797
Observations	5

**Hypothesis 6:**

Ho - There is no significance impact of Debt-to-Equity Ratio on Return on Assets.

Ha6 - There is a significance impact of Debt-to-Equity Ratio on Return on Assets.

**Table 20: Comparison of Debt-to-Equity Ratio with ROA**

<b>Debt to Equity Ratio to ROA</b>					
<b>Year</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>ROA</b>	0.05	0.05	0.01	0.04	0.06
<b>Ratio</b>	10.55	10.9	17.72	0.44	0.04

**Table 21: Regression Model of Debt-to-Equity ratio on the ROA**

<i>Regression Statistics</i>	
Multiple R	0.678224259
R Square	0.459988145
Adjusted R Square	0.279984194
Standard Error	0.016321944
Observations	5

## Findings

- The correlation model is made between the six financial ratios which are interest coverage ratio, debt ratio, debt to equity ratio, return on assets and return on capital employed and it stated that there is a positive relationship between ICR and net profit, while there is negative relationship of debt ratio and debt to equity ratio with net profit.
- The interest coverage ratio is low for the initial years which explains that company is barely able to repay its debt obligation but there is a spike in the year 2022 which represents that the firm has repaid its debt obligations and has less risk of defaulting.
- The Return on Capital Employed states that how efficiently the firm uses its capital, GSFC Ltd was able to efficiently use its capital until the pandemic hit the world. After the pandemic the company was able to use the capital more effectively than ever before.
- The Return on Assets states that how efficiently the firm uses its assets for the purpose of generating the profit. The ratio was the lowest in the period of pandemic as in pandemic the production was stopped so the assets were not utilized, but after the pandemic was over the company utilized their assets to the fullest.
- The Return on Equity states that how efficiently the firm uses shareholder's equity for the purpose of generating the profit. The ratio was the lowest in the period of pandemic as in pandemic the production was stopped so there was no use of equity capital, but after the pandemic was over the company utilized their shareholders equity to the fullest.
- Debt to equity ratio states how much company is dependent on borrowed funds to fund their day-to-day operations. The ratio was the highest during the pandemic because maybe the production was stopped and the company needed the funds. But as soon as the situation got better and the company repaid its debt obligation.
- The debt ratio represents the level of leverage taken by the firm which was low before the pandemic period. In the pandemic maybe the firm needed funds and had taken the borrowed funds to finance their needs. Post covid the firm without wasting any time tried their level best to reduce the debt levels of the firm which minimizes the chances of financial despair.
- Interest coverage ratio is positively correlated with the net profit while the debt ratio and debt to equity ratio are negatively correlated to net profit.

- There is huge impact of interest coverage ratio on net profit which makes the ratio quite important for the firm.
- The ratios like debt-to-equity ratio and debt ratio have a significant impact on the net profit of the firm.
- Debt to equity ratio has a great impact on the return on the capital employed which is important for the firm.
- Debt ratio has 46% impact on the Return on Assets (ROA) which is the least among all the other impact of ratios on the profitability of the firm.

## Conclusion

In this study the aspect of profitability was taken to understand the importance of capital structure on the firm i.e., impact of ratios on profitability of the firm. The study reveals the impact of ratios on the profitability of the firm for which comparative ratio analysis was done and tools like regression and correlation were applied for better understanding of the impact on the profitability. The ratios for the past five years from 2018-2022 were compared with net profit of those years to find out the relation between the profitability and the ratios. Ratios like Return on Assets (ROA), return on Equity (ROE) and return on Capital employed (ROCE) are directly proportional to the net profit.

Since this data was not enough to get to the conclusion so data analysis tools like regression and correlation analysis have been done to find the impact of ratios on profitability. By doing the correlation between all six ratios it depicted that interest coverage ratio had positive relation and the other ratios like debt-to-equity ratio and debt ratio had negative reaction with net profit. The regression model showed that the ratios had significant impact on the profit of the firm. To put it simply, the change in the ratios will directly impact the net profit of the firm. To conclude, the ratios like interest coverage ratio, debt to equity ratio and debt ratio gives significance impact on the profitability of the firms.

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## **Effect of Corporate Social Responsibility on Financial Performance: Evidence from Public Sector Banks in India**

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### **Abstract**

The primary goal of the study is to investigate the effect of Corporate Social Responsibility on the financial performance of selected public sector banks in India during a three-year period, from 2020-2021 to 2022-2023. This study is entirely based on secondary sources, with data gathered from bank annual reports. Corporate Social Responsibility is used as an independent variable, while financial performance is measured by Net Profit Margin, Return on Equity, Return on Capital Employed, and Earnings per Share. Researchers employed descriptive statistics and regression analysis to investigate the impact of corporate social responsibility on the financial performance of India's public sector banks. Thus findings show that Corporate Social Responsibility have insignificant effect on Net Profit Margin and Return on Equity whereas Corporate Social Responsibility have significant effect on Return on Capital Employed and Earning per Share.

**Keywords:** Corporate Social Responsibility, Financial Performance, NPM, ROE, ROCE, EPS

## 1. Introduction

Corporate Social Responsibility is an obligation made by business to support sustainable economic growth with the help of employees, their families, local community and society at large in order to improve quality of life. The objective of business is to benefit society socially as well as financially. The fundamental goal of CSR is to maintain business operations in order to generate shared benefit for both business and society. Thus, for this reason CSR has currently become a normal business practice.

According to Section 135 of Schedule VII of the Companies Act of 2013, businesses with a net worth of 500 crores or more, a turnover of 1,000 crores or more, or a net profit of 5 crores or more is required to spend 2% of its average profit over previous three years in CSR activities.

Banking Sector is an important sector in our Indian economy. A nation's economic health is primarily dependent on the banking system's efficient operation, which meets consumer requirements by disbursing loans, fosters the habit of saving among people and converts that saving into investment as well as boosting capital mobility. Guidelines are issued by Reserve Bank of India, Ministry of Corporate Affairs and Security Exchange Board of India regarding CSR from time to time which are to be followed by all the firms. Khan Committee -2005 and Nachiket Committee -2013 are set up by RBI and as per these committees all the commercial banks have to submit compulsory CSR activities report towards the end of each financial year.

## 2. Literature Review

**Manokaran et al. (2018)** has examined the effect of CSR on financial performance of Malaysian insurance companies for a period of 9 years i.e. from 2008 – 2017. Return on Asset, Return on Equity and Earning per Share are the financial performance used for the study. Correlation analysis has been employed for the study. Thus, result reveals that CSR has significant relationship with Return on Assets and insignificant relationship with Return on Equity and Earning per Share.

**Memon et al. (2019)** tries to study the effect of CSR on HBL & MCB banks financial performance from 2004-2017 that are listed on Pakistan Stock Exchange. In this study CSR is taken as independent variable whereas Return on Assets, earning per Share and Profit after Tax are taken as dependent variable. Statistical tools like Descriptive Statistics, Correlation and Multiple Regression analysis have been used for the study. Thus, results show that CSR has significant impact on ROA, EPS and PAT.

**Sharma & Kumar (2020)** has studied the effect of CSR on financial performance of IT sectors companies in India from 2014-2017. The researcher has examined the impact of CSR on Net Profit by using Correlation

and Regression Analysis in the study. The findings show that CSR has significant effect on Net Profit of the selected IT sectors companies.

**Singh et al. (2021)** has investigated Corporate Social Responsibility impact on Financial Performance of top 50 companies of Nifty Index for a period of 5 years i.e. from 2015-2020. Financial performance is evaluated on the basis of Earning per Share, Net Profit Margin and Return on Equity. Researcher has used panel data regression models for the study. Thus, findings show that CSR has no impact on Earnings per Share and Net Profit Margin whereas CSR has positive impact on Return on Equity.

**Ransariya & Bhayani (2022)** has analyzed the impact of Corporate Social Responsibility on financial performance of Infosys Ltd for a period of 5 years from 2016-17 to 2020-21. CSR is taken as independent variable whereas Return on Capital Employed, Return on Net Worth, operating profit, Net Profit, Current ratio and Liquid ratio are taken as dependent variable. Researcher has used correlation and regression analysis for the study. Thus, result shows that CSR has negative impact on Return on Capital Employed. While CSR has positive impact on Return on Net Worth, Operating Profit, Net Profit, Current ratio and Liquid ratio.

**Yi et al. (2022)** has analyzed the impact of CSR on financial performance in manufacturing and service listed firms in Malaysia for a period of five years i.e. from 2016-2020. CSR is taken as independent variable whereas ROE, EPS, ROA and NPM are taken as dependent variable. Researcher has used regression analysis for the study. Thus, results show that CSR has insignificant impact on ROA and NPM while CSR has significant impact on ROE and EPS.

**Rathore (2023)** tries to study the impact of CSR on financial performance of Textile Industries for a period 5 years. CSR activities like environment sustainability, employee welfare and community development and financial performance like ROA, ROE and NPM are studied. To study the objective Regression analysis is been used. The results show that CSR has good impact on financial performance of textile industries.

### 3. Research Gap

From the above literature review the following research gap is identified:

- The first research gap is to research the effect of CSR on Indian public sector banks financial performance.
- Second research gap is Public Sector banks which are selected on basis of Market Capitalization.

## **4. Scope of the Study**

The present study is to understand the effect of CSR on financial performance of selected public sector banks in India.

## **5. Research Methodology**

### **5.1 Research Objectives**

Research objectives of the study are as follows:

- 1) To recognize the CSR activities of selected public sector banks in India.
- 2) To examine the effect of CSR on financial performance of selected public sector banks in India.
- 3)

### **5.2 Research Hypothesis**

Ho: There is no significant effect of CSR on financial performance of selected public sector banks in India.

H1: There is significant effect of CSR on financial performance of selected public sector banks in India.

### **5.3 Research Design**

Analytical and Exploratory research design is used for the study.

### **5.4 Sample Size**

On the basis of market capitalization as on 31-3-2023 two top listed public sector banks in BSE i.e. SBI and BOB were selected for the study.

### **5.5 Data Collection**

Purely secondary data is used for the study. Company's annual report and website is used for collection of data.

### **5.6 Period of the Study**

The period of the study is three years i.e. from 2020-21 to 2022-23.

### 5.7 Variables under the study

The following are the variables for the study:

➤ **Independent Variable**

- 1) Corporate Social Responsibility (CSR)

➤ **Dependent Variable**

- 1) Net Profit Margin (NPM)
- 2) Return on Equity (ROE)
- 3) Return on Capital Employed (ROCE)
- 4) Earnings Per Share (EPS)

### 5.8 Tools & Techniques

Descriptive Statistics and Regression Analysis is used for the study.

## 6. Limitations of the Study

The following are the limitations for the study:

- 1) Secondary data is only used for the study.
- 2) Only two public sector banks i.e. SBI and BOB is used for the study.
- 3) This study is limited for 3 years only i.e. from 2020-21 to 2022-23.

## 7. Data Analysis and Interpretation

### 7.1 CSR amount spent

**Table 7.1 State Bank of India**

<b>Type of Bank</b>	<b>CSR Amount Spent (Rs. In Cr.) (2020-21)</b>	<b>CSR Amount Spent (Rs. In Cr.) (2021-22)</b>	<b>CSR Amount Spent (Rs. In Cr.) (2022-23)</b>	<b>CSR Activities</b>
Public Sector	144.88	204.1	316.76	1. Education 2. HealthCare 3. Environment Skill Development 4. Women Empowerment 5. Rural & Slum Development 6. Livelihood Projects 7. Training to Sports 8. National Heritage

**Sources: Annual Report of State Bank of India**

Table 7.1 shows the CSR amount spent by SBI in different financial years 2020-21, 2021-22 and 2022-23 is Rs. 144.88 cr., Rs. 204.1 cr. and Rs. 316.76 cr. respectively in different CSR activities.



**Table 7.2 Bank of Baroda**

Type of Bank	CSR Amount Spent (Rs. In Cr.) (2020-21)	CSR Amount Spent (Rs. In Cr.) (2021-22)	CSR Amount Spent (Rs. In Cr.) (2022-23)	CSR Activities
Public Sector	6.9	8.29	13.5	1. Education 2. HealthCare 3. Women Welfare 4. Economic Development

**Sources: Annual Report of Bank of Baroda**

Table 7.2 shows the CSR amount spent by BOB in different financial years 2020-21, 2021-22 and 2022-23 is Rs. 6.9 cr., Rs. 8.29 cr. and Rs. 13.5 cr. respectively in different CSR activities.

## 7.2 Descriptive Statistics

**Table 7.3 Descriptive Statistics**

Variable	N	Mean	Std Deviation	Min.	Max.
CSR Amount Spent	6	115.74	128.77	6.9	316.76
Net Profit Margin (NPM)	6	8.69	5.04	1.17	15.74
Return on Equity (ROE)	6	10.3	5.52	1.07	16.75
Return on Capital Employed (ROCE)	6	1.7	0.18	1.42	1.91
Earnings per Share (EPS)	6	26.29	18.69	1.78	56.29

**Sources: Results obtained from MS Excel**

The above table 7.3 shows descriptive statistics for all the variables under the study. CSR amount spent is an independent variable where the mean value is 115.74 and standard deviation value is 128.77. The value of CSR falls between 6.9 and 316.76. The value of mean for NPM is 8.69 and standard deviation is 5.04, further minimum value is 1.17 and maximum value is 15.74 for NPM. In case of ROE mean value is 10.3, standard deviation value is 5.52, minimum value is 1.07 and maximum value is 16.75. The value of mean and standard deviation for ROCE is 1.7 and 0.18, further minimum and maximum value for ROCE is 1.42

and 1.91. Lastly in case of EPS mean value is 26.29, standard deviation value is 18.69, minimum value is 1.78 and maximum value is 56.29.

### 7.3 Regression Analysis

**Table 7.4 Regression analysis result of CSR spent and Net Profit Margin**

Variable	Coefficients	Standard Error	t Stat	P-value
Intercept	8.2688	3.2193	2.5685	0.0620
CSR Spent	0.0036	0.0195	0.1849	0.8622

R Square= 0.0085, Adjusted R Square= -0.2394, F= 0.0342, Significance F= 0.8622

Level of significance= 0.05

**Sources: Results obtained from MS Excel**

Ho: There is no significant effect of CSR on Net Profit Margin of selected public sector banks in India.

H1: There is significant effect of CSR on Net Profit Margin of selected public sector banks in India.

R square is 0.0085 which means there is low deviation 0.8% in NPM as explained by CSR spent in this model. Here p value is 0.8622 which is greater than 0.05, so there is insignificant effect between CSR and NPM. Hence Null Hypothesis should be accepted.

**Table 7.5 Regression analysis result of CSR spent and Return on Equity**

Variable	Coefficients	Standard Error	t Stat	P-value
Intercept	7.2043	2.7677	2.6030	0.0599
CSR Spent	0.0268	0.0168	1.5968	0.1855

R Square= 0.3892, Adjusted R Square= 0.2366, F= 2.5498, Significance F= 0.1855

Level of significance= 0.05

**Sources: Results obtained from MS Excel**

Ho: There is no significant effect of CSR on Return on Equity of selected public sector banks in India.

H1: There is significant effect of CSR on Return on Equity of selected public sector banks in India.

R square is 0.3892 which means there is moderate deviation 38.92% in ROE as explained by CSR spent in this model. Here p value is 0.1855 which is greater than 0.05, so there is insignificant effect between CSR and ROE. Hence Null Hypothesis should be accepted.

**Table 7.6 Regression analysis result of CSR spent and Return on Capital Employed**

Variable	Coefficients	Standard Error	t Stat	P-value
Intercept	1.8404	0.0680	27.0574	1.1093
CSR Spent	-0.0011	0.0004	-2.8730	0.0453

R Square= 0.6736, Adjusted R Square= 0.5919, F= 8.2542, Significance F= 0.0453

Level of significance= 0.05

**Sources: Results obtained from MS Excel**

Ho: There is no significant effect of CSR on Return on Capital Employed of selected public sector banks in India.

H1: There is significant effect of CSR on Return on Capital Employed of selected public sector banks in India.

R square is 0.6736 which means there is moderate deviation 67.36% in ROCE as explained by CSR spent in this model. Here p value is 0.0453 which is less than 0.05, so there is significant effect between CSR and ROCE. Hence Null Hypothesis should be rejected.

**Table 7.7 Regression analysis result of CSR spent and Earning per Share**

Variable	Coefficients	Standard Error	t Stat	P-value
Intercept	11.4639	5.6293	2.0364	0.1114
CSR Spent	0.1281	0.0341	3.7552	0.0199

R Square= 0.7790, Adjusted R Square= 0.7237, F= 14.1017, Significance F= 0.0199

Level of significance= 0.05

**Sources: Results obtained from MS Excel**

Ho: There is no significant effect of CSR on Earning per Share of selected public sector banks in India.

H1: There is significant effect of CSR on Earning per Share of selected public sector banks in India.

R square is 0.7790 which means there is high deviation 77.90% in EPS as explained by CSR spent in this model. Here p value is 0.0199 which is less than 0.05, so there is significant effect between CSR and EPS. Hence Null Hypothesis should be rejected.

## 8. Findings

- SBI spent more amounts in CSR activities as compared with BOB.
- SBI CSR activities are Education, HealthCare, Environment Skill Development, Women Empowerment, Rural & Slum Development, Livelihood Projects, Training to Sports and National Heritage.
- BOB CSR activities are Education, HealthCare, Women Welfare and Economic Development.
- Corporate Social Responsibility has insignificant effect on Net Profit Margin and Return on Equity whereas Corporate Social Responsibility has significant effect on Return on Capital Employed and Earning per Share.

## 9. Recommendations and Suggestions

- This study is limited to only two selected public sector banks in India. One can do the comparison between public sector banks and private sector banks.
- In this study top two public sector banks are selected from BSE on basis of market capitalization dated on 31-3-2023. Another base like Net Profit, Turnover and Total Assets can also be taken for the study.
- Only three years data is collected for the study. Data can be collected for more number of years for doing detailed study.
- In this study financial performance are measured by NPM, ROE, ROCE and EPS. One can also measure financial performance by Return on Assets, Dividend per Share, Price Earnings ratio and Current ratio etc.

## 10. Conclusions

All the selected public sector banks are contributing in CSR activities as they come under the prescribed criteria of Companies Act, 2013. The objective of this study was to examine the effect of CSR on financial performance of two public sector banks i.e. SBI and BOB from 2020-21 to 2022-23. In this study CSR is taken as independent variable while NPM, ROE, ROCE and EPS were taken as dependent variable. Thus, result reveals that Corporate Social Responsibility has insignificant effect on Net Profit Margin and Return on Equity whereas Corporate Social Responsibility has significant effect on Return on Capital Employed and Earning per Share.

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- <https://www.bankofbaroda.in>

## **Anthology : Smart Factory 4.0**

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### **Abstract**

#### **Purpose**

This empirical study examines the "SMART FACTORY" research, a term used to characterize the application of various modern technology combinations to develop a manufacturing capability that is highly adaptable and self-adapting. The study's main goals are to understand how modernization aids have been applied to business economies, as well as to introduce automation, effective human resource management, and the implications of Artificial and Robotic Intelligence.

#### **Methodology/ Approach**

The data below has been congregated with reference to Primary data found in online survey forms—a sample survey—and Secondary data gathered with the help of a few papers and Journals discussing the issue of Smart Factory.

## Findings

The heading uncover of our study is to acknowledge and recognize in-depth how the contemporary technologies are helping the “Business Globe” and how the Smart Factories are implemented and are elected by the organization owners, and how they benefit from these.

## Practical/ Social Implications

It can be indicated that smart factories will lead to manufacturing that is more adaptable, customer-focused, sustainable, and with more money and bring new technologies into life.

## Originality/ Value

Originality/ value given the popularity of both the formal and informal sector in this most emerging business nations such as “Hindustan”, the study proffers congregations and suggestions that assist the deep research & advancement of Smart Factory specially within the highly – sophisticated business organizations. The role of self-organizing and competency through contemporary technologies in all the above has been heightened.

**Key Expression:** Smart Factory, AI, Contemporary Globe, Upgraded Technologies, Headed Organizations, Advancements.

**“As the Appellate Implies, A Smart Factory Is... Smart Enough...!”**

## Data Magic - Introduction

The empirical study looks at a few specific studies on the "SMART FACTORY," a term used to characterize the utilization of various modern technology combinations to develop a production capability that is incredibly flexible and self-adapting to understand the significance of smart factories in the expanding economy. AI, InfoTech, Automation, Robotics, Machine Learning, Program Coding, Ethical Data



Analytics, and Accurate Data Enhancer are some of the most frequently utilized concepts in relation to SMART FACTORY.

A cyber-physical system called a "smart factory" uses cutting-edge technologies to analyze data, power automated processes, and learn as it goes.

#### ° **Reap Welfare for The Employers**

- 1] Quality.
- 2] Efficient.
- 3] Effective.
- 4] Error free.
- 5] Less Manpower.

#### ° **Reap Well-Being for The Employees**

- 1] Easy in Work-in-progress.
- 2] Easy Target Achievement.
- 3] Procurement of Technical Knowledge.
- 4] Smart work and Easy Time Management.
- 5] Often updating themselves with regards to the Contemporary Trend.

#### ° **Indus 4.0 and It's Impacts on Workers**

- 1] The construction of smart factories does not really cause employees to lose their jobs.
- 2] As Smart factory sector develops, amount of support work for factory model increases.
- 3] As a result, it expands rather than reduces the amount of job opportunities for workers.

#### ° **Purview of the Study**

##### **# Improved data insights.**

"SMART FACTORY" is a device which concatenates data. This research aids in simplifying the world, broadening our vision and cognition, and improving our capacity to share our own business insights and ideas.



### # Maximized plant efficiency.

Smart Factory on Industry sectors are now benefiting from smart factories since they improve smart manufacturing and encourage the use of new technologies to increase productivity.

### # Faster issue resolution.

This study places special emphasis on the relationship between the organizational software products' technical quality and the structural maintainers' ability to resolve problems.

### # Tracking products across the value chain.

“Supply Chain Traceability” refers to the ability to trace a customer’s items from the necessary suppliers to the Ultimate Final Consumers.

## Review of Literature

### ° The Smart Factory as a key construct of Industry 4.0

A systematic literature review (Philipp Osterode, Lukas Budded, Thomas Friendlier, (*International Journal of Production Economics* 221, 107476, 2020))

In this article, Industry 4.0, which is described as a fully connected manufacturing system that operates primarily without human labor by generating, transferring, receiving, and processing necessary data to carry out all necessary tasks for producing all types of goods, has been mentioned as one of the keys to building the smart factory.

## Objectives of the Study

The prime objective of the study is to be conscious in depth about how the aids of Upgradation has been implemented in this Business Economy and to import automation, efficient management of human resource units, implications of Artificial Intelligence and Robotic Intelligence.

## Limitations of the Study

The drawbacks of the study are listed below:

- **Only Respondents:** Who were in the working population’s age range made up the sample population?

There was no consideration for other age groups.

- **Not Appropriate:** Only a small number of surveys were conducted, and the results are not entirely reliable.
- **Lack of Knowledge:** The majority of employees at firms were not aware of the changes that occurred in the sector.
- **Gradual Progression:** The responders' understanding of the subject was too sluggish and, in some cases, misguided.

## Findings & Suggestions

The heading uncover of our study is to acknowledge and recognize in-depth how the contemporary technologies are helping the “Business Globe” and how the Smart Factories are implemented and are elected by the organization owners, and how they benefit from these.

## What Is Smart Manufacturing...?

### 👉 WHAT'S INDUSTRY 4.0..?

#### ❖ *What's New.?*

# Factory floor data may be collected using inexpensive, readily accessible, retrofittable sensors.

# Huge quantities of data storage – Strong CPUs.

# Cloud-based big data analytics platforms are common.

# The Internet of Things and intelligent gadgets.

# Creating a single, digitally interconnected ecosystem that combines people, machines, and big data.

#### ❖ *Who Cares.?*

# This is a straightforward one: all of your stakeholders! Just as your shareholders care because they desired increased profitability, your workers care because they want access to the best tools and the chance to further their careers in a modern environment.

# Customers are interested in you because they want more for their money. Additionally, if you are a Smart Manufacturer, your competitors are worried about you since you pose a bigger danger.

# All of your stakeholders is an easy one.

# Employees care because they want access to the best tools and the chance to further their careers in a modern environment, just as shareholders care because they want more profitability.

# Because they want more for less money, customers care about you. Additionally, if you are a Smart Manufacturer, you offer a higher danger, which worries your competitors.

# The smart factory is a cyber-physical system that consists of a networked system of devices, communication tools, and processing power.

## 👉 Why Industry 4.0

### ❖ WHY NOW.?

# Due to the fantastic outcome sooner started, earlier finished as your competitors are also. Additionally, without Smart Manufacturing, you won't be able to compete. Really, it's that simple. Because change always happens more slowly than we imagine.

# If you don't get started right away, we won't be able to play catch-up quickly in a few days, weeks, or months.

# It's not simply a new procedure; it's a new way of functioning. Additionally, things need time to happen.

# The curation and collection of various sets of usable data throughout the company, supply chain, and the globe is made possible by contemporary database technology and artificial intelligence.

# The Industrial Internet of Things (IIoT) enables connected machines to collect data into the system using sensors and gateways.

## 👉 4.0 As an Alternative...?

# In fact, the data sets that may be compared and analyzed offer an almost unlimited number of possible combinations to guide supply chain forecasting and digital factory optimization.

# Workflows are created once data has been collected and analyzed, and then commands are delivered to the system's equipment and devices.

# These devices might be found inside the factory's walls or much further out in the logistics or production connections of the supply chain.

# Smart workflows and processes are Intelligent processes and workflows are continuously monitored and improved. It is possible to analyze workflow efficiency over time to improve performance and auto-correct as necessary.

# 3D model smart processes can be directed to increase production priority for a particular item if a news story foresees a rise in demand for it.

#### **Positive Thread...?**

# The smart factory is more productive than conventional production because every process is properly synced.

# Lower manufacturing costs are a result of less waste and downtime.

# The capacity for underused output can be located and removed.

# Use augmented reality (AR) to improve planning, speed up quality control, and simplify corporate operations. Furthermore, this is advantageous for logistics and product development.

#### **Impactive Thread...?**

# Because technology may eventually replace workers in the industrial process, unemployment is a persistent concern.

# A single machine operating layout may limit your output to a particular activity or process, and limited space may prevent innovation and development into other industries.

# specialists are needed for the analysis and supervision of automated procedures. # It can interfere with our productivity and be a distraction.

# Many devices contain hazardous materials including lead, cadmium, and mercury that can pollute ground soil if they are not properly disposed of.

## 📖 Daily Diary Research: -



### Action Plan – Smart Factory Indus 4.0

- # Examine how increasing transparency in smart industrial operations boosted output.
- # Discover how Industries, a manufacturer of design materials, established a smarter plant that led to performance gains and assisted in lowering energy and water use.
- # Learn how automation and connection contributed to the creation of a linked framework for all types of machinery.

***“Data isn’t Information, Data isn’t Knowledge, Data isn’t Understanding, Data isn’t Wisdom, DATA IS MAGIC...!”***

### Conclusion

The paper concludes by arguing that Smart factory has made some impact in the manufacturing sector and various sectors as well, but it has yet to be reached in the ultimate maturity stage. Based on the survey conducted we conclude that most of the companies are aware of the Smart Factory and its significance in the manufacturing sector. But the expansion as well as an upgrading needs Capital, which states Drawback for many Small-scale companies to Upgrade. On the other diagonal, people tend to lose their jobs due to more involvement of Machineries rather than Human Capital, which diminishes the Work - Population Ration.

High attention is being placed on standards, and there is great leadership and coordination with other organizations in these efforts. Small & Medium - Sized Businesses (SMEs) are given a lot of attention, which is a worthwhile but challenging goal. There are effective research partnerships with industry, but there may be a tendency to rely too much on the (hoped-for) trickle-down effects of work with bigger companies; more outreach to SMEs, particularly young SMEs, would be advantageous.

👉 *“Smart Factory has its own Good as well as Bad Traits. It is a Boon as well as a Cure for society...!”*

## 🔗 Bibliography

### ◦ Research Articles ◦

- ✓ Referred Articles about Smart Factory and Industry 4.0 as well in Google Scholar.
- ✓ Website Domain labelled Research Gate in Chrome.
- ✓ Reference of Journals related to Industrial Units and their Evolution.
- ✓ Smart Factory of Industry 4.0: Key Technologies, Application Case, and Challenges.

### ◦ Communique Links ◦

🔗 Smart Factory Articles, Journals, Stories & News: -

- ✓ <https://www.manufacturingtomorrow.com/story/2023/04/why-smart-interconnection-is-essential-for-building-the-factories-of-the-future-/20498/>
- ✓ <https://www.manufacturingtomorrow.com/story/2023/04/why-smart-interconnection-is-essential-for-building-the-factories-of-the-future-/20498/>
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- ✓ <https://www.sap.com/india/products/scm/what-is-a-smart-factory.html>
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- ✓ <https://www.siemens.com/global/en/products/automation/topic-areas/sustainable-industries.html>

## **Sustainable Practices in HRM**

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### **Abstract**

The study focuses on the Sustainable practices in HRM. The purpose of this study to investigate the influence of sustainable human resource management practices on employee well-being, engagement, and retention and examine the obstacles and challenges that organizations may face when implementing sustainable HRM practices. This study used a qualitative approach and the back bone of this study is the secondary data comprised of comprehensive literature review, Internet sources, journals, books. There has been little research into the difficulties and barriers that organizations experience when implementing sustainable HRM practices. This research paper aims to bridge this gap by investigating and providing insights into the integration of sustainability principles into HRM practices, and their potential benefits and challenges in promoting sustainable and responsible organizations.

**Keywords:** sustainable resource management, corporate, human resource management.



## Introduction

Sustainable practices in Human Resource Management (HRM) refer to the integration of environmental, social, and ethical considerations into HR strategies and operations. The overarching goal is to create a work environment that promotes long-term viability, employee well-being, and responsible business practices. Sustainable HRM goes beyond the traditional focus on short-term profits and incorporates principles of sustainability, which aim to balance the needs of the organization, its employees, society, and the environment.

Sustainable human resource management (SHRM) is an approach to employee management that has gained popularity in recent years. It is founded on the concept of sustainability, which has permeated all management functions, including human resource management (HRM). HRM sustainability is the foundation for an organization's future growth and success. SHRM principles define the type of HRM that merits the label "sustainable." Human resource development is one of the SHRM principles that should be followed consistently, along with the other SHRM principles.

HR development practices that are solely focused on immediate demands are inconsistent with the SHRM ideals of long-term vision and adaptability.

Sustainable HRM practices are those that contribute to social well-being, environmental protection, and long-term economic development. The SHRM principles outline how HRM can be utilized to promote sustainable development. Different authors focus on different areas that are essential to them; therefore, there are numerous approaches to the concepts of sustainable human resource management.

The following important ideas will help to understand the significance of sustainable practices in HRM:

**Attracting and Retaining Talent:** With an increasing number of job seekers prioritizing sustainability and social responsibility in their career choices, organizations that embrace sustainable practices in human resource management have a competitive advantage in attracting and retaining top talent. Employees are more likely to be involved and dedicated to a company that shares their values and makes a positive contribution to society and the environment.

**Improving Organizational Reputation:** Long-term HRM programs indicate an organization's commitment to responsible and ethical business practices. This dedication strengthens the organization's reputation among stakeholders such as consumers, investors, and partners. A good reputation increases brand loyalty and can lead to more business prospects.

**Improved Employee Engagement and Productivity:** Employees are more likely to be interested and motivated in their job when they believe their organization is genuinely concerned about sustainability. Sustainable HRM practices, such as encouraging work-life balance and employee well-being, can boost productivity and job satisfaction.

**Risk Mitigation and Resilience:** Integrating sustainability into HRM assists organizations in identifying and addressing potential risks related to environmental and social issues. Organizations can improve their resilience and adaptation to shifting market conditions and regulatory requirements by being proactive in controlling these risks.

**Long-Term Business Viability:** Adopting sustainable HRM practices is not merely a passing fad; it is critical for organization's long-term viability and success. Organizations can establish a more resilient and long-lasting business model by considering the environmental and social consequences of HRM decisions.

**Contributing to SDGs:** Sustainable HRM practices can directly or indirectly contribute to the United Nations' Sustainable Development Goals (SDGs). Promoting diversity and inclusion, for example, helps SDG 5 (Gender Equality), whilst implementing green workplace activities supports SDG 13 (Climate Action).

**Positive Impact on Organizational Culture:** Sustainable HRM develops an organizational culture of responsibility, ethics, and social consciousness. When employees see their leaders actively promoting and supporting these initiatives, they are more inclined to adopt sustainable practices.

HR departments promote sustainability in organizations by implementing the following practices:

**Define the company's social purpose:** HR should define the company's social purpose and ensure that it aligns with the organization's values and mission.

**Be a proactive culture consultant:** HR should nurture a positive culture and give employees the freedom to suggest initiatives that will have a positive impact on the company environment.

**Incorporate sustainability in each process:** Corporate sustainability goals should be mentioned throughout the hiring and on boarding process. HR should introduce corporate social responsibility to new employees and involve them in the business strategy. When employees suggest methods to advance sustainability, HR should recognize it and reward them with incentives.

**Incentivize employees:** In evaluating performance, the company's sustainability objectives should be included as an objective for staff with clear incentives.

Recognize broader performance results: sustainable human resource management recognizes performance results that are broader than financial results, including environmental and social outcomes.

Develop and deliver corporate sustainability strategies: HR should support the development and implementation of Corporate Sustainability Strategies, given that a unique human resources partnership is essential for sustainable business success. The HR profession needs to recognize and adapt its practices to a new perspective of organizational stability.

Embed sustainability values: HRM needs to provide HRM solutions as well as sustainably manage HRM functions. In this context, the proposed approach aims to embed sustainability values, understand and engage HRM stakeholders, review and develop HRM policies and practices, and track and report performance and impact.

## **Objectives of the Study**

1. To investigate how sustainable HRM practices influence employee well-being, job satisfaction, engagement, and overall retention within organizations.
2. To investigate the challenges that organizations may face when implementing sustainable HRM practices.
3. To assess the larger consequences of sustainable HRM on the organization's performance and environmental footprint.

## **Literature Review**

Sustainable Human Resource Management: A Review of the Literature and Research Agenda" by Ehnert (2022) in the journal Sustainability: This review by Ehnert offers a comprehensive analysis of Sustainable Human Resource Management (SHRM) literature. It defines SHRM as the integration of environmental, social, and ethical considerations into HR strategies. The review discusses key concepts within SHRM, such as green HRM, employee well-being, diversity and inclusion, and the role of leadership. It also explores the empirical evidence on the impact of SHRM on organizational outcomes, including employee engagement, organizational performance, and corporate social responsibility. The research agenda proposed in the review outlines potential directions for future research in the field.

"The Impact of Sustainable Human Resource Management on Employee Well-Being: A Systematic Review" by Lu (2023) in the journal Human Resource Management: Lu's systematic review focuses specifically on the relationship between SHRM and employee well-being. Drawing from 39 empirical studies, the review

identifies the mechanisms through which SHRM practices positively influence employee well-being. It highlights that SHRM initiatives, such as flexible work arrangements, wellness programs, and supportive work environments, contribute to enhanced physical health, mental well-being, and improved work-life balance for employees. The review also underscores the potential of SHRM to foster a holistic approach to employee well-being (Lu, 2023).

"Diversity and Inclusion in Sustainable Human Resource Management: A Review and Research Agenda" by Jha and Sharma (2022) in the journal *Sustainable Development*: Jha and Sharma's review explores the intersection of diversity, inclusion, and SHRM. Analyzing 28 empirical studies, the review highlights the positive impact of diversity and inclusion on sustainable HRM practices. It discusses how diverse and inclusive workplaces stimulate innovation, creativity, and problem-solving, which align with broader sustainability goals. The review also identifies potential areas for further research, such as exploring the role of leadership in promoting diversity and inclusion within SHRM (Jha & sharma, 2022).

"Leadership and Sustainable Human Resource Management: A Review and Research Agenda" by Ehnert and Harry (2021) in the journal *Leadership*: This review authored by Ehnert and Harry investigates the pivotal role of leadership in SHRM. Drawing from 25 empirical studies, the review examines the ways in which leadership behaviors and practices impact the integration of sustainability principles into HR strategies. It emphasizes that effective leadership is essential for fostering a sustainable workplace culture and driving the implementation of sustainable HRM practices. The review also suggests potential avenues for future research, such as exploring the influence of different leadership styles on SHRM outcomes (Enhert & Harry, 2021).

"Challenges and Barriers in Implementing Sustainable Human Resource Management" by Ehnert and Backhaus (2021) in the journal *Sustainable Business and Society*: Ehnert and Backhaus' review delves into the challenges and barriers organizations encounter when implementing SHRM practices. Drawing from 21 empirical studies, the review identifies common obstacles, including limited top management support, resource constraints, and employee resistance to change. It emphasizes the need for strategic alignment between sustainability goals and HR practices. The review also offers insights into strategies to overcome these challenges, such as creating awareness, fostering a culture of sustainability, and integrating sustainability into HR policies (Ehnert & Backhaus, 2021).

"Impact of Sustainable Human Resource Management on Organizational Performance: A Meta-Analysis" by Macke and Genari (2021) in the journal *Sustainability*:

In this meta-analysis, Macke and Genari assess the cumulative impact of SHRM on organizational performance based on 38 empirical studies. The review synthesizes findings related to various dimensions of organizational performance, including financial outcomes, employee productivity, and customer satisfaction. It demonstrates that organizations that adopt sustainable HRM practices tend to exhibit superior performance across multiple metrics. The review also underscores the potential for SHRM to contribute to long-term organizational success and sustainability (Macke & Genari, 2021).

"Technology and Innovation in Sustainable Human Resource Management" by Ehnert and Lepak (2020) in the journal *Human Resource Management Review*: Ehnert and Lepak's review focuses on the integration of technology and innovation within SHRM practices. Analyzing 20 empirical studies, the review explores how technology can enhance talent management, training and development, and employee engagement initiatives. It highlights the role of digital tools, data analytics, and online platforms in supporting sustainable HRM practices. The review also underscores the potential of technology to facilitate remote work, improve communication, and streamline HR processes (Ehnert & Lepak, 2020).

"Case Studies and Best Practices in Sustainable Human Resource Management" by Ehnert (2019) in the book *Sustainable Human Resource Management: A Global Perspective*: Ehnert's chapter offers a compilation of case studies and exemplar practices from different regions, providing a global perspective on the implementation of sustainable HRM. The chapter showcases real-world examples of organizations that have successfully integrated sustainability principles into their HR strategies. It highlights innovative approaches to employee well-being, diversity, leadership, and corporate social responsibility. The chapter serves as a source of practical insights and inspiration for organizations seeking to enhance their sustainable HRM initiatives (Ehnert, 2019).

## **Research Methodology**

### **Type of research**

The research is descriptive research, utilizing qualitative research methodologies to investigate, describe, and comprehend the current condition of sustainable HRM initiatives within organizations.

The study aims to gain in-depth insights into the impact, challenges, and opportunities related to sustainable practices in HRM by utilizing qualitative research methodologies, ultimately providing valuable recommendations for organizations seeking to create a more sustainable and employee-centric work environment.

## Sources of data

Secondary data is collected in this research. This data can include published literature, statistical reports, historical records, and online databases, among others. The careful selection and validation of secondary data sources ensure the reliability and credibility of the findings, enabling the research report to draw comprehensive insights and draw valuable conclusions to enrich the study's outcomes.

## Data Analysis

In this study, a qualitative methodology that solely emphasized secondary data sources served as the basis for the data analysis procedure. The efficiency of secondary data collecting in examining the research issue within the limits at hand led to its selection as the major methodology. The investigation involved a thorough review and analysis of the body of prior research on the issue at hand, as well as reports, papers, and archival materials.

## Results and Discussions of Findings

The literature review found that sustainable HRM practices have a positive impact on a variety of organizational outcomes, including:

- **Employee well-being:** Sustainable HRM practices, such as flexible work arrangements, wellness programs, and supportive work environments, have been shown to improve employee physical health, mental well-being, and work-life balance.
- **Employee engagement:** Sustainable HRM practices can also lead to increased employee engagement, as employees are more likely to be motivated and productive when they feel that their organization is committed to sustainability.
- **Organizational performance:** Organizations that adopt sustainable HRM practices tend to exhibit superior performance across multiple metrics, including financial outcomes, employee productivity, and customer satisfaction.
- **Risk mitigation and resilience:** Sustainable HRM practices can help organizations to identify and mitigate potential risks related to environmental and social issues. This can make organizations more resilient to shocks and changes in the market.
- **Contribution to SDGs:** Sustainable HRM practices can directly or indirectly contribute to the United Nations' Sustainable Development Goals (SDGs). For example, promoting diversity and inclusion can help to achieve SDG 5 (Gender Equality), while implementing green workplace activities can support SDG 13 (Climate Action).

- Positive impact on organizational culture: Sustainable HRM practices can help to create a more positive and supportive organizational culture. This can lead to increased employee satisfaction and productivity.

## Discussion

The literature review provides strong evidence that sustainable HRM practices can have a positive impact on a variety of organizational outcomes. However, it is important to note that the specific impact of these practices will vary depending on the organization and its specific circumstances. For example, the impact of sustainable HRM practices on employee well-being may be greater in organizations that have a high number of employees who are concerned about sustainability.

The literature review also identifies a number of challenges that organizations may face when implementing sustainable HRM practices. These challenges include:

- Lack of top management support: Sustainable HRM practices are more likely to be successful when they are supported by top management. However, in some organizations, there may be a lack of awareness of the benefits of sustainable HRM or a lack of commitment to these practices.
- Resource constraints: Sustainable HRM practices can sometimes require additional resources, such as time and money. In organizations with limited resources, it may be difficult to implement these practices.
- Employee resistance to change: Employees may be resistant to change, especially if they are not aware of the benefits of sustainable HRM practices. It is important to communicate the benefits of these practices to employees and to involve them in the implementation process.

Despite these challenges, the literature review suggests that the benefits of sustainable HRM practices outweigh the costs. Organizations that adopt these practices are more likely to be successful in the long run. Here are some additional thoughts on the implications of the findings for organizations:

- Organizations should develop a clear strategic vision for sustainable HRM and communicate this vision to employees.
- Organizations should invest in training and development programs to help employees understand the benefits of sustainable HRM practices.
- Organizations should create a supportive organizational culture that encourages employees to participate in sustainable HRM initiatives.

- Organizations should measure the impact of sustainable HRM practices on organizational outcomes in order to track their progress and make necessary adjustments.

Overall, the literature review provides strong evidence that sustainable HRM practices can have a positive impact on a variety of organizational outcomes. Organizations that adopt these practices are more likely to be successful in the long run.

## Conclusions

The analysis of how sustainable HRM techniques affect workers' well-being, job satisfaction, engagement, and overall retention has revealed the profound influence these techniques have on organizational dynamics. The results show a strong and mutually reinforcing link between long-term HRM initiatives and successful employee outcomes. Increased job satisfaction, better engagement, and higher retention rates are all signs of improved employee well-being that can be attributed to the incorporation of sustainability concepts into HRM initiatives. This is consistent with the emerging understanding that businesses that promote a culture of environmental and social responsibility benefit from a happy and devoted workforce.

The study's empirical findings highlight the critical role that sustainable HRM plays in fostering great employee experiences and promoting long-term sustainability of organization.

An in-depth insight of the complexity is provided by the examination of the difficulty's organizations have faced when implementing sustainable HRM practices. The obstacles found, which range from a lack of resources to organizational inertia, highlight the complexity of change management and the need to replace conventional HRM paradigms in favor of sustainability-focused ones. To overcome resistance and enable the smooth integration of sustainable practices, it is imperative to take a deliberate and collaborative strategy that involves stakeholders at all levels. Organizations may provide the groundwork for successful adoption by identifying these barriers and taking proactive measures to overcome them, fostering an atmosphere in which sustainable HRM practices can flourish.

Deeper understanding of the overall effect of incorporating sustainability principles into HRM strategies is provided by the examination of the bigger effects of sustainable HRM on organizational performance and environmental footprint. The results of the study show a symbiotic relationship between successful organizational HRM and sustainability. The correlation between improved organizational performance and sustainable HRM highlights how crucial it is to promote employee engagement and well-being through sustainability-focused programs. The decrease in environmental impact that comes along with these



practices is equally important. Organizations that use sustainable HRM support larger environmental conservation initiatives in addition to their own bottom line success.

The exhaustive findings of the study imply that sustainable HRM acts as a catalyst for beneficial change that transcends organizational borders, encouraging a more sustainable and ethical business environment. The study emphasizes the critical function of sustainable HRM in fostering transformational change inside organizations, eventually promoting employees' overall well-being, business success, and environmental preservation. The findings of this research present a road map for utilizing sustainable HRM to build thriving workplaces, overcome obstacles, and contribute to a more sustainable future.

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## **Factors Affecting Buying Behaviour in the Purchase of Ready to Move Home or Self Constructed house: An Analytical Study**

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### **Abstract**

By 2030, it is predicted that India would need 10 million additional housing units annually. A 20-million-unit housing deficit, rapid population expansion, rising wages, and declining household sizes would necessitate massive residential building. In terms of the direct, indirect, and induced effects on all areas of the economy, the construction industry is in third place among the 14 key industries. Understanding the various aspects influencing consumers' purchasing behavior and preferences can help consumers make more satisfied purchases. Some significant investments are being made in the real estate sector as a result of the government's acceptance of 100% FDI in India, real estate development, and a stable capital market. Indian real estate is attracting buyers from around the world, and it is currently at the top of the list of destinations for foreign real estate investors.

**Purpose:** The main objective of this study is to find the factors affecting the consumer or buyer behavior towards self-constructed and ready to move home. It also aimed to review the prior art and categorize various criteria into factors.

**Methodology:** This is Exploratory research method research in which non-disguised and structured questionnaire having closed-ended questions. It was administered to collect data from the respondents including Consumers, Builders, Land Developers, and Field Experts.

**Findings:** From the overall study, it was found that the financial factors are given the highest consideration while evaluating the alternatives by the residential property buyers. The variables could be grouped into ten factors.

**Keywords:** Ready to move home, self-constructed home, Factors Affecting Home Buying Decision, Factor Analysis.

## Introduction

Consumer behavior is the study of how people acquire, use, and discard goods and services, as well as the decision-making processes that go before and after these activities. The study of consumer behavior focuses on human conduct and the motivations that underlie it. The consumer's attention is entirely focused on their preferred options when purchasing real estate, including price, product offerings, project location, surrounding amenities, financial plans, and wise investment choices.

A residential property is a highly involved purchase, requiring the buyer to make sophisticated purchasing decisions. The buyer conducts a thorough information search from a variety of sources, virtually the entire family is involved in the decision-making process, and it takes a lot of time to reach a conclusion. (Sciffman & Kanuk, 2004).

Own house is a vital need for humans. It is a fundamental requirement and is seen as part of the standard of living. The residence provides independence, privacy, and protection. The stability that comes with owning a home also serves as an investment. (Rahman, 2010).

According to economists (MacLennan 2002), housing consists of a variety of characteristics. While some of these features are internal to the dwelling unit itself, such access to utilities, services, and facilities, others are external, like location. In order to understand consumer needs and wants with regard to housing choices and interest, very little research has been done in the UK (Mills, 2000). As a result, there is a large disconnect between what consumers expect from developers and what they really get (Swartz & Brown, 1989). Ozaki (2002) therefore called for researchers to investigate this topic in an effort to close this gap. Studying the

variables influencing buyer behavior for residential property is now crucial. According to Opoku and Abdul-Muhmin (2010), it will assist residential property developers in meeting the needs of consumers of residential real estate products.

According to studies of the residential real estate market, both academics and the real estate sector are becoming more and more aware of the significance of purchasers' conduct. The need to analyses consumer behavior for real estate products is well acknowledged (Gallimore, 1999). The majority of studies in this field have looked into the psychological theories that influence how the market searches and processes for fixing prices. Given that demand determines the value of residential property, it is crucial to comprehend the purchasing decision-making process (Almond, 1999).

### **Objectives of The Study**

The study attempted to:

- Identify the importance of factors that home buyers consider while purchasing (evaluating alternatives) a home.
- Categorize the factors that home buyers consider while making a buying decision.
- To determine the reasons (from consumers) for selecting a home at NMR; (Family weekend activities, guest visit frequency, psychological needs, expectations from new environment, renovation needs, age group, and type of education).
- To find out the most important factor (social factors, psychological factors, and demographic factors).

### **Prior Art and Literature Review**

Finding out the elements that clients take into account when buying a home was the goal of the literature review. According to Kim et al. (2005), home purchasers consider neighborhood qualities, employment accessibility, and particular housing characteristics while evaluating a home. Majid et al. (2012) discovered in their study that the demographic characteristics of purchasers, such as gender, marital status, and employment, influence the standards they use to assess the alternatives when purchasing a dwelling unit. Haddad et al. (2011) investigated the effects of social, economic, aesthetic, geographic, and marketing constructs on purchasing behavior in Amman. The survey also found that the gender and age of home buyers have an impact on their purchasing decisions. In a study, Saw and Tan (2014) came to the conclusion that structural, geographic, and financial factors influence property purchasers' purchase intentions. Tan (2011) discovered that purchasers were willing to pay a premium for a home in a desirable neighborhood. According

to Kulshreshtha et al. (2017a; 2017b), one of the most critical factors when choosing an electronic product is price.

According to a study by Choguill (2008), a residential property's value would increase if it was located in a gated community with a landscaped compound. According to Chapman & Lombard (2006) and Tan (2011), home purchasers give residential properties a good or bad grade depending on aspects including pollution, cleanliness, and safety (against crime). They also give these aspects significant weight when evaluating a dwelling unit.

According to one of Tan's studies from 2011, wealthy property purchasers may have given some intangible benefits, such as infrastructure that suits their lifestyle, a sense of harmony with the neighborhood, and security, some thought. The gate guarded residential area gives residents good peace of mind, and they can pay more for that, according to studies by Hunter (1985), Lang, and Le Furgy (2007). In a similar vein, people who buy houses as investments favor doing so in gated communities.

A residence in a gated and guarded area represents the owner's status and capital, according to research by Tan (2010). The property buyers opt to buy a property in a gated community because they want to stand out and project an elite image. While considering their options, residential property buyers take accessibility and environmental friendliness into account (Tan, 2012). The significance of evaluation criteria varies depending on the life cycle stage, claim Ricardo et al. (2010). A buyer of a property who is a single professional could prefer a location with better access to employment prospects, cultural attractions, and services, whereas a buyer who has young children might favor a place with superior natural surroundings.

According to Kueh and Chew's (2005) research, cost was the main consideration for buyers of residential real estate. Along with price, other crucial considerations included location, house amenities, security, the developer's reputation, and community facilities. Additionally, it was discovered that group preferences for housing units could differ, with singles and married people reporting distinct preferences from widowed or divorced people. According to Fujita (1989, cited in Hurtubia et al., 2010), factors including accessibility, environmental amenities, and space are taken into consideration when choosing a place. The cost of travel between different parts of the city for household members depends on accessibility.

The degree of economic activity in areas like education, services, industry, etc. constitutes environmental amenities. The importance of location to home purchasers in the UK, Australia, and Ireland when purchasing a residential property was validated in a study by Daly et al. When choosing a dwelling unit to purchase, the distance from stores, a school, a hospital, a place of employment, and the central business district is highly

significant. Karsten (2007) came to the conclusion that the distance from the office is crucial for property purchasers who don't want to spend a lot of time travelling.

Environmental amenities consist of the level of economic activities like education, service, industry, etc. It was confirmed in a study by Daly et al. (2003) that home buyers in the UK, Australia and Ireland considered location very important while buying a residential property. The distance of housing unit from shops, school, hospital, workplace, and the central business district is given high importance while making a buying decision. Karsten (2007) concluded that for the home buyers who do not want to spend too much time in travelling, distance from the workplace is highly important. The structure of the house that includes the size of the living and dining rooms, constructed area and number of bedrooms and bathrooms, is also one of the criteria which affects home buyers' assessment of the property (Arimah, 1992; Fierro et al., 2009; Laakso & Loikkanen, 1995; Opoku & Muhmin 2010; Tiwari & Parikh, 1998; Tse & Love, 2000; Wilhelmsson, 2000). Individuals' decisions to purchase a home are influenced by features of the residential property such as the design, construction quality, exterior, and interior design (Adair et al., 1996; Daly et al., 2003; Opoku & Abdul-Muhmin, 2010; Sengul, Yasemin, & Eda, 2010).

According to several researchers, these housing characteristics do influence the decision to purchase (El-Nachar, 2011; Haddad, Judeh, & Haddad, 2011; Sengul et al., 2010). According to a study by Fortin, Hill, and Huang (2014), superstition also influences people's decisions to buy homes. They discovered that the North American housing market is affected by Chinese superstition. Even purchasers who don't believe in feng shui take it into account when purchasing a home because it may have an impact on the resale price. Home respondents agreed that the house number should be taken into account. According to a Housing.com poll from 2015, the majority of Indian homebuyers seek out properties that adhere to vastu principles when making a purchase. According to Anderson and Crocker (1971), the decision to buy a property is influenced by the area's pollution level.

#### **4. Factors Used for Analysis**

- **Financially Ready**

Are you in a position financially to buy a house? Have you taken into account all of your financial commitments, such as your car loan, student loan repayment, rent, and equipment loans (for a mobile, etc.)? Have you thought about your financial responsibilities for your parents' medical care, your wife's or husband's needs (both professional and personal), and your kids' incidentals? If so, how much extra money do you have each month that you could use to buy the house of your dreams? "YOU GOT IT" —

You received the precise monthly surplus for investing in the acquisition of your home (This point is relevant for those who want to take out a home loan to finance their purchase of a home). Those who have money available to them via savings, an inheritance, or parental support, among other sources, may choose to ignore.). I am considering that your JOB or Business is secure.

- **Security and privacy concerns**

Apartments on lower floors are typically regarded as being less secure than those in upper floors. This is likely a result of their accessibility. Examine the security measures in place in the community or housing complex if you are interested in residing on a lower floor.

- **Property Location**

The maxim "location, location, location" is still true and is still the most crucial aspect of real estate profitability. Residential property assessments heavily consider the status of the neighbourhood, green space, scenic vistas, and proximity to amenities. When valuing commercial real estate, accessibility to markets, warehouses, transportation hubs, motorways, and tax-exempt regions is crucial.

- **Valuation of the Property**

Real estate valuation is crucial for financing the purchase as well as listing price, investment research, insurance, and taxation—all of which rely on it.

- **Investment Purpose and Investment Horizon**

Lack of clarity regarding aim may result in unanticipated outcomes, including financial distress—especially if the investment is mortgaged—given the low liquidity and high value of real estate.

- **Expected Cash Flows and Profit Opportunities**

Cash flow is the amount of money that remains after expenses. A strong rate of return on an investment property depends on having a positive cash flow.

- **Be Careful with Leverage**

Loans are practical, but they could be very expensive. In exchange for today's usefulness at a cost of interest spread over many years, you pledge your future earnings. Make sure you are aware of how to manage these types of loans and stay away from over-leveraged situations or high debt levels. In times of unfavorable market conditions, even real estate specialists face challenges from overleverage, and real estate ventures might fail due to a lack of liquidity and significant debt commitments.

- **New Construction vs. Existing Property**



Modern amenities, appealing pricing, and the ability for customization are typically features of new construction. Delays, higher expenditures, and the unknowns of a newly constructed area are all risks. Existing properties come with benefits such as ease of access, established improvements (such as utilities and landscaping), and frequently reduced prices.

- **Indirect Investments in Real Estate**

It's not for everyone to manage physical properties over an extended period of time. There are alternatives that let you make indirect real estate investments.

- **Overall Real Estate Market**

Similar to other investment strategies, buying low and selling high is a solid strategy. Real estate markets change, so staying on top of trends is beneficial. Additionally, it's critical to monitor mortgage rates in order to, if at all possible, reduce your financing charges.

## **Research Methodology**

The flow of proposed research work carried out is given in figure 1.1. First in the problem is formulated. The data collection process is started then hypothesis is decided and tested. The questionnaires are prepared and data is generated in the form of tables. The analysis of the data generated from questionnaire is carried out. Thereafter, the results are concluded and recommendations are given if any. For processing the data and testing hypothesis, various appropriate statistical test/tools like Tabulation, Mean, Mode, Regression & correlation analysis, chi-square test, Pearson's test, Excel for data handling, etc. and other relevant software will be used subjected to the need of study.

It was a quantitative study in which data were collected through structured and non-disguised questionnaire. During the literature review, the factors were identified which were frequently found significant in the residential property buying in the previous studies. These factors were then included in the questionnaire, which was used to collect the data from respondents.

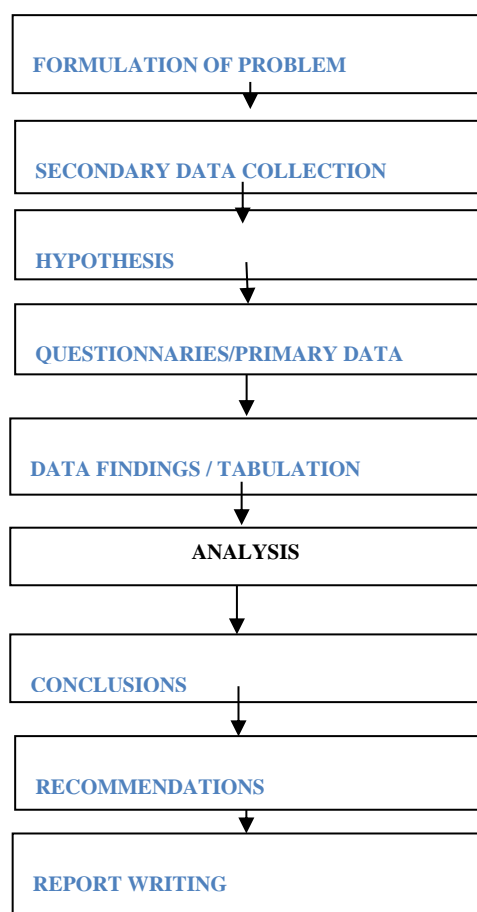


Figure 1.1 Proposed Research Work Flow

## Analysis and Discussion

We have collected the data/response of questionnaire was taken from google form or mail questionnaire. Respondents were selected through judgment sampling. Out of 600 respondents 500 respondents were selected as the items in the questionnaire were 37. The 100 responses were excluded on the basis of incompleteness of the response. The data collected through the questionnaire survey were statistically analyzed with SPSS software.

Respondents were asked to mark the level of importance of the selected variables while purchasing a residential property. A five-point scale was used for this where 5 indicated extremely important and 1, not at all important. This implies that a high mean score reports a high level of importance of the variable.

- **Pilot Study**

The questionnaire is prepared in considering all the dimensions about study of construction Management and consumer Behavior. Based on the above major reviews, we have designed the questionnaire by consulting the industry experts. Later the instrument is tested through pilot study and the reliability test results of the instrument is measured with Cornbach's alpha of 0.764 of the respondents belongs to ready to Move Home and Cornbach's alpha of 0.752 of the respondents belongs to Build in Home. Both are found suitable for the purpose of study.

This study is dealt with reliability and feasibility of the questionnaire. Through that researcher may understand feasibility, time, cost and adverse event of the study. The Cronbach's Alpha statistical method is used to check the reliability of the statements in Likert's Point Scale. The outcome revealed that the statements added in the questionnaire retain a high reliability of 0.764 level of Cronbach's Alpha. Therefore, to the conclusion that the statements stood to the respondents are highly reliable and logical to give their free and fair opinion for research study.

**Table1.1: Reliability Test of Survey Scale of respondents belongs to ready to Move Home**

Reliability Statistics	
Cronbach's Alpha	No of Items
0.764	73

**Table 1.2: Reliability Test of Survey Scale of respondents belongs to Build in Home**

Reliability Statistics	
Cronbach's Alpha	No of Items
0.752	30

- **Content Validity of the Instrument**

The validity of instruments was ascertained by discussing the questionnaire with my supervisor. Thereafter, ten people knowledgeable about the themes of the study were asked to judge each item in the questionnaire either as Relevant (R) or Irrelevant (IR). The content was then computed to get Content Validity Index (CVI).

- **Questionnaire**

$$CVI = \frac{(36 + 35 + 30 + 33 + 30 + 31 + 37 + 22 + 35 + 34)/10}{37} = 0.87$$

There were total of 37 items. First expert said 36 questions were relevant while the second expert identified 35 questions as relevant and so on last expert said 34 questions as relevant. Then all were added, divided by ten to get the average before dividing by the total number of items (37).

Since the Content Validity Indices for questionnaire were greater than 0.7 then it implies that questionnaire is Valid (Amin, 2005).

## **Conclusion**

From the survey and analysis of the factors undertaking for the proposed research, it is found that the financial factors called price range and availability of home loan were found to be most important by home buyers. The financial or economic factors were followed by construction quality (as used “well built” in questionnaire), location, developer’s reputation, ventilation, and proximity to amenities based on importance for the home buyers. The belief factors like vastu compliance and house no. are less important. It suggests that the variables taken for the study from the available literature are quite significant for home buyers while purchasing a home. Current study has used exploratory factor analysis method and should be followed by a study using confirmatory factor analysis approach.

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## **Investigating The Cultural Motives Of Sri Lankans Towards Propensity Of International Outshopping**

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### **Abstract**

This paper aims to investigate the cultural motives of Sri Lankans towards propensity of international outshopping based on Hofstede's national cultural dimensions. The current study focuses on four international outshopping motives which are derived from four cultural dimensions. They are hypothesised to influence Sri Lankan consumers' propensity of international outshopping and empirically investigated using a questionnaire survey, based on a sample of 90 Sri Lankans who have travelled abroad for shopping. The results of the current study suggest that there is a significant positive relationship between Sri Lankan consumers' perceived reliability of foreign retail service, perceived enjoyment of shopping abroad, and perceived morality to support domestic industries on the propensity of International outshopping. However, Sri Lankan consumers' perceived expressiveness of using foreign products does not have a significantly effect on the propensity of International outshopping. Sri Lankan outshoppers are increasingly travelling



abroad to foreign shopping destinations. The findings of the current study provide insights to retailers and distributors in both local and foreign markets to understand consumer's international out shopping behaviour and formulate effective marketing strategies that may initially target Sri Lankan out shoppers and potentially out shoppers from different nationalities.

*Keywords:* International out shopping, National culture, Sri Lanka

### **List of Acronyms**

Abbreviation	Definition
PIO	Propensity of International Outshopping
PE	Perceived Expressiveness
PR	Perceived Reliability
PN	Perceived Enjoyment
PM	Perceived Morality
SERVQUAL	Service Quality
SPSS	Statistical Package for the Social Sciences
SEM	Structural Equation Modelling
ANOVA	Analysis of Variance
LKR	Sri Lankan Rupee
VIF	Variance Inflation Factor
OLS	Ordinary Least Squares Regression

## Introduction

### Background

According to official statistics from the Sri Lanka tourism development Authority (2019), in the year 2019, a total of 1,441,462 Sri Lankans have travelled overseas. However, according to previous year's statistics, 2018 recorded a total departure of 1,475, 929. As a result, a decline of 2.33% compared to the previous year. Furthermore, the distribution of departures by first port reveals that the top tourist destinations of departing Sri Lankans are Dubai, Qatar, and neighbouring Asian destinations such as Chennai, Singapore, and Kuala Lumpur. These destinations are infamous for tourist attractions and shopping. Based on the numbers it can be assumed that a large number of Sri Lankan nationals travel abroad to spend on shopping and other leisure activities. Studies reveal an increase in the number of foreign consumers from emerging nations visiting developed nations (Guo & Wang, 2006). According to the World Bank (2020) Since Sri Lanka is a lower-middle-income developing nation, it typically has lower national income per capita than developed nations. Outshopping is an activity where consumers travel beyond the local market to satisfy their purchasing requirements (Dawson & Garland, 1983). When the consumers travel beyond their home country to satisfy their purchasing requirements, it is identified as international outshopping. Previous literature suggests that the intention of international outshopping motivates consumers to travel to foreign countries (Tansuhaj et al., 1989).

Studies that have already been conducted on international outshopping have placed more emphasis on determining the significance of economic, sociopsychological, and individual consumer characteristics. As a result, researchers have been able to uncover outshopping behaviours, motives, and characteristics of consumers. In consumer research, it is suggested that outshopping is primarily driven by the desire of rational consumers to obtain economic benefits while some studies suggest outshopping is not necessarily motivated by that. The Department of Census and Statistics in Sri Lanka (2019) states that Sri Lanka has a lower average cost of living than the United States. As a result, domestic product costs in Sri Lanka are significantly lower than they are in other countries. According to Wang et al. (2010), it is doubtful that customers from underdeveloped nations will fly abroad to buy less expensive and accessible goods. As a result, a different angle should be taken while looking at the reasons behind outshopping. Wang et al. (2010) recommends that one way to address the issues with existing studies is to use a cultural approach to describing the reasons people outshop.

Culture is recognized as an efficacious force on consumption by Johar (1991). This argument has been further proven applicable in consumer behaviour studies, cross-cultural studies, and international marketing (Penaloza & Gilly, 1999). Previous research by Ackerman and Tellis (2001) suggest that cultural orientation plays an important role in sculpturing consumers decisions. Therefore, it may be believed that culture plays a significant role in determining the motivations of Sri Lankan customers who outsource their buying. In addition, the body of research on international out-shopping is generally scarce and contradictory (Piron, 2000; Wang et al., 2010). Also, most studies on international outshopping address demographic, psychographic, and socio-economic variables of individuals (Dmitrovic & Vida, 2007; Guo & Wang, 2006; Piron, 2001; Yavas & Abdul-Gader, 1991). Wang et al. (2010) had identified a gap with regards to studies conducted in the field of a country's cultural motives on international outshopping. As a result, there is a study gap in the area of analysing customers' reasons for doing international outshopping from a cultural perspective. By empirically examining the reasons Sri Lankan consumers choose to shop abroad from a cultural viewpoint based on Hofstede's four cultural dimensions, this study aims to fill the knowledge void in the field.

### **Research Questions**

1. What is the influence of Sri Lankan consumers' perceived expressiveness of using foreign products on the propensity of International outshopping?
2. What is the influence of Sri Lankan consumers' perceived reliability of foreign retail service on the propensity of International outshopping?
3. What is the influence of Sri Lankan consumers' perceived enjoyment of outshopping on the propensity of International outshopping?
4. What is the influence of Sri Lankan consumers' perceived morality to support domestic industries on the propensity of International outshopping?

## Literature Review

### Propensity of International Outshopping

According to Dawson and Garland (1983), outshopping simply means travelling outside of one's local shopping area to purchase goods. Similarly, when the same phenomenon happens beyond a country's national boundaries, it is called international outshopping. In other terms consumers purchasing away from their home country (Tansuhaj et al., 1989). Sullivan and Kang (1997) have found that when a consumer travels across a national frontier—for example, United States and Canada—it can be viewed as a special subcategory of international outshopping termed cross-border shopping. Previous studies have also noted a rise in out-shoppers from developing nations traveling to developed nations, such as Mexicans to the USA and Eastern Europeans to West Europe (Dmitrovic & Vida, 2007; Guo et al., 2006). Wang et al. (2010) further confirmed that in a developing country like China, even with a relatively low prices compared to foreign prices, millions of Chinese consumers travel abroad annually to destinations such as Europe and the USA for outshopping

Dawson and Garland (1983) identified probable similarities between outshoppers in domestic and international settings. As a result, common findings on outshopping may have applications in international outshopping. However, many research findings failed to maintain consistency in demographic factors underlying outshopping. Studies conducted by Darden and Perreault (1976), Dawson and Garland (1983), Papadopoulos (1980) revealed that income is positively correlation with outshopping and frequent outshoppers are more financially stable than infrequent outshoppers. Contradicting, Samli and Uhr (1974) found the exact opposite result in their study, which was further supported by Tansuhaj et al. (1989), that discovered individuals who travel abroad for other intentions have more income than those who travel exclusively for shopping.

Piron (2002) managed to derive a connection between consumer ethnocentrism and international outshopping which was based on the work of Shimp and Sharma's (1987) conceptualization of consumer ethnocentricity. Similarly, Dinnie (2004) connected product country of origin to consumer decision-making. According to these authors, local shoppers would consider it unpatriotic to buy international brands or foreign-made goods out of anxiety that doing so would hurt the local economy. However, it does not necessary mean that people have an adverse opinion of imported goods and Al-Sulaiti and Baker (1998), and Verlegh and Steenkamp (1999), suggested foreign products may contain a positive quality perception among consumers. A study conducted by Wang et al. (2010) discovered that outshopping is not

motivated by seeking lower prices. According to this study in China by Wang et al. (2010), the Hofstede's cultural dimensions have been used to derive the cultural motives and establish connection to propensity of international outshopping. The current study has also utilized a similar approach in developing the conceptual and theoretical frameworks.

### **Hofstede's Dimensions of Culture**

McCort and Malhotra (1993) recognised culture as an indefinite influence on consumer behaviour. As a result, defining culture and relating the impact of culture on international consumer behaviour becomes difficult (Dawar et al., 1996; Lenartowicz & Roth, 1999; Manrai & Manrai, 1996; McCort & Malhotra, 1993). Previous literature hoisted disputes regarding the most effective method to conceptualizing and operationalizing culture. Ultimately, it was the Hofstede's framework which emerged as the most appropriate in consumer research (Sondergaard, 1994; Steenkamp, 2001). Moreover, according to Dawar et al. (1996), Samiee and Jeong (1994), Sivakumar and Nakata (2001), Sondergaard (1994), and Wang et al. (2010), Hofstede's framework is ideal for hypotheses development; and used as a benchmark framework for operationalisation of cultures in cross-cultural, and international marketing studies. Lu et al. (1999) further confirmed that Hofstede's dimensions of culture have been proven useful in supporting the hypothesis as a theoretical framework. Additionally, Soares et al. (2007) recognised the theoretical relevance of Hofstede's cultural dimensions and justified the potential use of the Hofstede's framework as a theoretical base in future studies related to international marketing and consumer behaviour. In this study, four dimensions will be considered to derive the independent variables based on previous research: power distance, uncertainty avoidance, masculinity, and individualism. Furthermore, studies conducted by Irfan (2016), Jayatilleke and Gunawardena (2016), and Dissanayake et al. (2015) have identified Sri Lanka to be a high- power distance, low-uncertainty avoidance, low-masculine and a collectivist country.

According to Hofstede (2001), power distance refers to the extent to which social hierarchy is presented in a culture; and Roth (1995) stated that symbolic items are indicators of social status in a high-power distance culture. Thus, according to Thorbjornsen et al. (2007), and Wang et al. (2010), consumers tend to associate with value-expressive foreign products as a means to convey a message about their social status. According to Hofstede (2001), the degree to which a culture can tolerate ambiguity and uncertainty is referred to as the uncertainty- avoidance dimension. Consequently, Wang et al. (2010) founded in research conducted in China, that Chinese consumers have low trust in the domestic market as a result of counterfeit products of foreign brands overwhelming the domestic markets; and tend to shop abroad to seek reliability. According

to Thatcher et al. (2003), masculine people enjoy tangible and symbolic achievements whereas feminine people prefer intrinsic and intangible accomplishments. Similarly, Wang et al. (2010) revealed that Chinese consumers from a masculine culture find spending money when traveling abroad to be particularly joyful because doing so is a sign of success (Blakney & Sekely, 1994). Finally, according to Hofstede (2001), the collectivism-individualism dimension indicates how a person views their place in society. Shimp and Sharma (1987) found a positive correlation between collectivism and customer ethnocentrism in consumer research. Therefore, due to the perceived morality of supporting domestic products, customers may refuse to buy foreign goods (Acharya & Elliott, 2003; Kucukemiroglu, 1999).

### **Perceived Expressiveness**

The concept of expressiveness is defined by Thorbjornsen et al. (2007), as a medium of conveying one's identity to the rest of the society by association with items that are perceived to contain higher value and status. Similarly, many authors have recognised when expressiveness is bounded to a particular product; it becomes an indication of that item's symbolic significance. As a result, the need to consume or acquire that item will increase in a society (Hirschman & Holbrook, 1981; Johar & Sirgy, 1991; Richins, 1994).

Furthermore, the social identity theory is widely adapted as a model in consumer behavioral studies to explain the conflict and cooperation between in-groups and out-groups (Tajfel, 1974; Tajfel & Turner, 2004). According to Hogg et al. (2017), individuals pursue to have a better social identity compared to individuals in other groups. As a result, consumer decisions are heavily impacted by the social group they live in; and consumers will follow brand choices similar to what majority prefer (Gaffney & Hogg, 2017; Kulviwat et al., 2009; Loh, 2011). As posited by Davvetas and Diamantopoulos (2016), the symbolic value of a product is a reflection of the ascertained expressiveness of social identity it will contain. Jiang and Cova (2012) mentioned that consumers develop a bond with brands and use them to express identity and may even willingly purchase counterfeit products to associate with those brands.

According to Hofstede (2010), social classes in a society represent the different levels of a society and greater the difference in those social classes, greater the inequality in the society. A study conducted by Irfan (2016) founded that Sri Lanka ranks higher in inequality compared to other Asian countries. Furthermore, studies by Roth (1995), have identified that wealth and social status is a parameter of social classes. As a result, consumers may rely on the symbolic value in products to showcase higher social status, particularly in a high-power distance culture. This claim was further verified by Hui et al. (2003). He observed Chinese consumers believed that foreign brands and foreign products contained symbolic value; thus, being superior

to local products. According to a study by Wang et al. (2010), consumers have a judgement on which destinations may contain a higher level of fashion and quality. Furthermore, in such places, consumers tend to purchase products with higher price as a symbol of status. Therefore, in a high-power distance country such as Sri Lanka, consumers may want to purchase foreign products from foreign destinations to express higher social status of being associated with them. As a result, Sri Lankan consumers who perceive higher expressiveness may have a stronger motivation to travel abroad to purchase foreign products.

*Hypothesis 1 (H1):* Sri Lankan consumers' perceived expressiveness of using foreign products positively influences their propensity of international outshopping.

### **Perceived Reliability**

According to Parasuraman et al. (1988), perceived reliability means the delivery of the exact product or service that is promised by the provider. As a result, reliability of a product or service is embedded in evaluating the overall quality (Anderson et al., 1997; Gronroos, 1990). Furthermore, Gronroos (1991), and Parasuraman et al. (1991), stated that consumers seek reliability when choosing a provider and it is an important influencer in consumers' decision-making process. Farner et al. (2001) stated that the level of perceived reliability directly responded to the level of perceived service quality. Furthermore, Korda and Snoj (2010) emphasized the close relationship of perceived reliability with perceived service quality and customer satisfaction. According to Furrer et al. (2000), customers in a high uncertainty avoidance culture expect low uncertainty from the providers. As a result, guaranteeing service reliability and quality becomes essential advocates for providers. This aspect of services received attention by many scholars.

Irfan (2016) claimed the Sri Lanka had a moderate score on the uncertainty avoidance index. As a result, Sri Lanka is more resilient and accepting towards uncertainty. In contrast, Yaveroglu and Donthu (2002) identified, that in a high uncertainty avoidance culture were highly anxious about the unforeseen future. In a consumer context, Wang et al. (2010) founded consumers in a high uncertainty avoidance culture wanted the products to be reliable. This will help the consumers to avoid the risk of uncertainty and be confident. However, Lev (2000), and Chow (2003) have stated that many of the foreign brands and foreign products in the domestic market are counterfeit products. According to Perera and Silva (2012), a significant number of counterfeit products are often moved within, and outside Sri Lanka and the Sri Lankan legislation has no proper procedure for securing the legitimacy of intellectual property and trademarks of brands. As a result, consumers may have a negative perception of the local markets and turn towards foreign markets to purchase

genuine products and avoid the risk of purchasing a counterfeit. Therefore, this paper asserts that one of the reasons Sri Lankan consumers outshop is to find reliable international retail services.

*Hypothesis 2 (H2):* Sri Lankan consumers' perceived reliability of foreign retail service positively influences their propensity of international outshopping.

### **Perceived Enjoyment**

Shopping in general is regarded as a form of enjoyment. Based on the experience consumers receive, they show a tendency to revisit the shopping destination (Bakirtas et al., 2015). According to Skov (2002) and Yeung et al. (2016), most tourist destinations capitalise on their international reputation to attract consumers who seek luxury brands. Kozak et al. (2016) observed that consumers shopping in international shopping malls did not have the purchasing power to afford luxury products; however, they enjoyed the bargaining process with vendors. Furthermore, studies by Cox et al. (2005), Lee (2000), Mano and Elliot (1997), confirmed that bargaining during shopping gives the consumers emotional satisfaction, and a feeling of achievement and pride. As a result, emerging as a significant influence on enjoyment shopping experience. Martin and Mason (1987) founded that shopping done less frequently to routine shopping can be recognised as non-essential shopping; therefore, a leisure activity.

According to past literature, money-spending abroad is a high enjoyment activity for masculine cultures because going abroad for shopping is considered a material and symbolic achievement according to Wang et al. (2010). According to Kim et al. (2007), consumer shopping enjoyment is the combination of pleasure and excitement triggered by the store environment. According to research, multiple physical environmental factors such as layout, interior design, architecture, ambience, audio and visual elements; and hygiene (Baker, 1987) can excite customers and stimulate consumer behaviour. Similarly, a study by Cox et al. (2005) suggested that simply wandering around or window shopping can be a positive mental stimulus to consumers. Brown and Pope (2003), and Wang (2010) have also mentioned that consumers like to browse through the shopping malls even if they do not make any actual purchases. However, Xu-Priour and Cliquet (2013) founded that perceived enjoyment of shopping may vary according to the national culture; and some consumers may find browsing in stores in leisure is more important to their shopping experience than a consumer from a different culture.

Moreover, Yu and Bastin (2010) stated that as the economy grows, consumers may want to spend additional income to seek pleasure in retail environments. According to the convergence theory, consumers tend to impersonate behaviour of consumers in developed countries (Child & Tse, 2001). As a result, Lu and Yang



(2006) founded that with the recent economic boom, Chinese consumers have become more individualistic. Consequently, Arnould and Thompson (2005), and Davis et al. (2008) posited that consumer enjoyment and shopping experience are shaped by the national culture of the country and state of the country's economy. A study conducted by Irfan (2016) founded Sri Lanka scored low in the masculinity index but practically remains as a masculine society. Thatcher et al. (2003) founded masculine individuals wanted to associate with material and symbolic items and they consider the acquisition of such items to be a form of enjoyment. On the other hand, feminine individuals pursued less material and non-monetary outcomes. Furthermore, Hofstede (1984) stated masculine individuals value achievement and success; and believed the possession of certain items with symbolic value to be a means of demonstrating achievement. As a result, Yeniyurt and Townsend (2003) identified that masculine consumers would spend more money to acquire such items. Consequently, spending money to travel abroad for shopping could be a demonstration of achievement. According to previous literature, the retail environment (Jarratt, 2000), human interactions (Bloch et al., 1994), and travelling (Ibrahim & Chye, 2002) are the sources of outshopping enjoyment. Therefore, because spending money abroad is a sign of success, this study suggests that Sri Lankan consumers view outshopping as a form of enjoyment.

*Hypothesis 3 (H3):* Sri Lankan consumers' perceived enjoyment of outshopping positively influence their propensity of international outshopping.

### **Perceived Morality**

Sharma et al. (1995) defined consumer ethnocentrism as consumers preferring locally manufactured products over imported foreign products. The author further stated the existence of a positive correlation between collectivism and consumer ethnocentrism, and it is an important psychological perspective in studying consumer ethnocentrism towards foreign products. Further studies by Sharma et al. (1995), and Lantz and Loeb (1996) confirmed the positive relationship between collectivism and consumer ethnocentrism with regard to foreign products and services. According to Shimp and Sharma (1987), consumer ethnocentrism emphasizes the moral need to buy domestically produced goods as well as the benefits of buying goods made abroad. However, Bilkey and Nes (1982), Samiee (1994) believed locals preferred products manufactured in the home country while Crawford and Lamb (1981), Heslop et al. (1998), and Wang and Lamb (1983) argued locals preferred products manufactured in a country which is culturally similar to the home country. Whereas non-ethnocentric consumers may evaluate foreign products on their own merits (McIntyre & Meric, 1994). While taking the impact of ethnocentrism further, Durvasula and

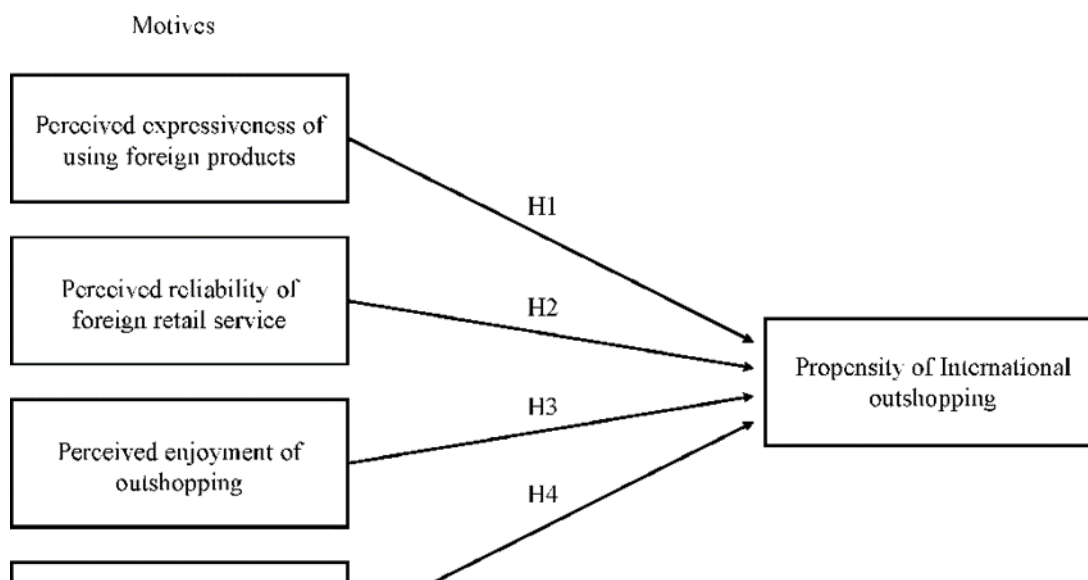
Lyonski (2006) posit that an ethnocentric consumer may have a positive opinion of foreign goods but may not want to purchase those goods because doing so could go against the customer's patriotic aspirations, according to the authors, consumers can think that choosing a foreign vendor over a local one when buying a foreign product could have a negative impact on the domestic economy. Likewise, Piron (2002) mentioned that in terms of ethnocentric tendencies towards outshopping, highly ethnocentric consumers may prefer to shop locally with the hope of helping the domestic economy and being patriotic. Consequently, due to the perceived morality in supporting domestic products, a customer who thinks that foreign products are superior to products from their home nation may nonetheless choose not to buy the foreign products (Acharya & Elliott, 2003; Kucukemiroglu, 1999).

Sri Lanka scores low in the individualist dimension, thus making Sri Lanka a collectivist society (Irfan, 2016). Bond (1988) has claimed that collectivist cultures believed their culture to be superior compared with other cultures. De Ruyter et al. (1998) identified the above claim to be applicable in consumer research and proposed that collectivism and consumer ethnocentrism are positively related in international markets. However, Durvasula and Lyonski (2006) have founded that ethnocentric consumers are not those who always have a negative perception towards foreign products. They could have a positive perception towards a foreign product, but it may not always lead to a purchase. Researchers argued that this is due to the perceived morality of purchasing domestically. As a result, ethnocentric consumers may think by purchasing domestic products, they can help the domestic economy. Therefore, this study suggests that Sri Lankan consumers' propensity to shop abroad may be adversely impacted by their morality to buy domestic goods rather than foreign goods in a collectivistic culture with high ethnocentrism.

*Hypothesis 4 (H4):* Sri Lankan consumers' perceived morality to support domestic industries negatively influences their propensity of International outshopping.

**Figure 1**

*Conceptual framework*



*Note.* This figure represents the conceptual framework that was built-up to identify the relationship between the variables in concern.

## **Research Methodology**

The current study has adapted a positivist research philosophy. As a result of following a positivist research philosophy, this study adopted a deductive approach. Under a deductive approach, the study would commence with constructing hypotheses based on an existing theoretical base and analysing the collected data to reach a conclusion (Schreier, 2012). In line with similar studies, the current study would be adopting a survey research strategy (eg: Guo and Wang (2009), Piron (2000), and Wang et al. (2010)), by using an online self-administered structured questionnaire as the data collection method. In previous outshopping literature, the respondents were between the young-adult and adult age groups. Therefore, the current study also focused on 90 Sri Lankans between the ages of 20 to 60 years, who have travelled abroad for outshopping. Data was analysed based on the multiple regression analysis technique by using the Statistical Package for the Social Sciences (SPSS) software.

The dependent variable: which is the propensity of international outshopping (PIO) will adopt behavioural propensity of measure behaviour by Dabholkar, (1994). The first independent variable: the perceived expressiveness of using foreign products (PE) will adopt the social-identity expressiveness measure developed by Thorbjornsen et al. (2007). The second independent variable: the perceived reliability of foreign retail service (PR) will adopt items from the service reliability measure in the SERVQUAL scale by Parasuraman et al. (1988), and will be slightly modified to fit the situation of Sri Lankan outshoppers in a foreign retail service context. Four items will be used to measure the perceived reliability of foreign retail service. The third independent variable: the perceived enjoyment of outshopping (PN) will adopt three items from Donthu and Gilliland (1996) measure of shopping enjoyment. The final independent variable: the perceived morality to support domestic industries (PM) will adopt the consumer ethnocentric tendencies scale of consumer ethnocentrism by Shimp and Sharma (1987). five items will be used to measure perceived

morality to support domestic industries. All items will be measured on a five-point Likert type scale where 1 being strongly disagree and 5 strongly agree.

## Results

In the current study, Sri Lankans who have travelled abroad for shopping are considered as the respondents of the questionnaire survey. As per the collected data, 64.4% of the respondents have travelled abroad more than once, and exactly 40% of the respondents are male, while the remaining 60% are female. In terms of the age range of the respondents, the majority of the respondents are young between the age 20-24 years. They amount to a 66.7% of all respondents in the survey, while the lowest participation at 2.2% is by the age group between 45-49 years. Majority of the respondents are not married at 81.1% and they have received university education as 93.3% of respondents are currently undergraduates or graduates. Furthermore, only 38.9% of the respondents are employed. However, 61.1% of the respondents have a monthly household income above 150,000 LKR. Out of the total respondents, 67.8% of respondents show a moderate interest in engaging in outshopping in the future in foreign countries.

According to the results PE, PR, and PM variables have a close to 'Neither agree nor disagree' responses (PE=2.750, PR=3.166, PM=2.537) while PIO and PN variables are close to 'Agree' level (PIO=3.508 and PN=3.781). In terms of the standard deviation, all constructs are associated with above 0.5 standard deviations, which is appropriate.

In terms of multivariate assumptions, the normality of the study can be established based on the skewness and kurtosis values. considerable normality is believed to exist when an absolute skewness value of  $\leq 2$  or an absolute kurtosis of  $\leq 4$  is reported (Kim, 2013). Furthermore, a kurtosis coefficient with an absolute value of less than 10 indicate a normal distribution (Kline, 2011). Moreover, in terms of linearity the results of current study's linearity test show most of the residuals follow a straight-line relationship and scattered around a zero point. Therefore, it can be concluded that the relationships between the independent variables (PE, PR, PN, and PM) and the dependent variable (PIO) is linear in nature. Then in terms of homoscedasticity according to Tabachnick and Fidell (2007), homoscedasticity exists when the normality of variables is achieved. Therefore, if the residuals scattered around the zero-point, homoscedasticity can be observed (Al Anazi et al., 2016). Finally, it seems that there is no multicollinearity since tolerance values are greater than 0.1, while VIF value is less than 10 (Hari et al., 2010).

## Reliability

Cronbach's Alpha ( $\alpha$ ) is commonly used in quantitative research to determine the internal consistency of instruments used in the study (Peterson, 1994). All the dependent and independent variables except for the perceived morality (PM) have managed to exceed the recommended threshold of .7 (Nunnally, 1978) and therefore acceptable and very reliable (refer Table). However, even the PE scale has gotten closer to the acceptable level and therefore, can be considered relatively reliable.

**Table 13**

*Reliability analysis of the variables*

Variables	Cronbach's Alpha	Number of Items
Propensity of International Outshopping (PIO)	.761	4
Perceived Expressiveness (PE)	.756	4
Perceived Reliability (PR)	.753	4
Perceived Enjoyment (PN)	.761	3
Perceived Morality (PM)	.666	5

## Multiple Regression

Examination of the regression output shows, according to Table 4.6, that the entire model is highly significant at 5% significance level ( $.000b < 0.050$ ) and therefore a valid model. Therefore, this is an appropriate model where all the independent variables jointly influence the dependent variable. As a result, PE, PR, PN, and PM jointly influence PIO. Furthermore, according to the regression model, the current study has tested the effect of individual factors on PIO. Under the ordinary least square model (OLS), results of the model summary is given in Table 4.6. according to those findings, the coefficient of determination ( $R^2$ ) of .376 recorded. This indicates the proportion of the dependent variable explained by the current model. Therefore, approximately 37.6% of the dependent variable (PIO) can be explained by the current regression model. Furthermore, the regression correlation ( $R$ ) of the model is .613 and this suggests the independent

variables (PE, PR, PN, and PM) are moderately and jointly correlated with PIO. The insignificant difference between R Square and Adjusted R Square indicate the exclusion of unnecessary variables in the model. Moreover, the Durbin-Watson value of 2.053 is between 1.5 and 2.5, suggesting that residuals are independent, and the regression results are highly valid.

**Table 14**

*Regression model validity test – model summary*

Model	R	R Square (R <sup>2</sup> )	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.613 <sup>a</sup>	.376	.347	.63049	2.053

**Table 15**

*Regressions ANOVA*

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	20.393	4	5.098	12.825	.000 <sup>b</sup>
Residual	33.789	85	.398		
Total	54.181	89			

## Hypothesis Testing

All hypotheses except for H<sub>1</sub> seems to be accepted as illustrated by Table 4.

**Table 16**

Hypothesis	Objective	Standard $\beta$ value	P value	Decision
Hypothesis 1 (H <sub>1</sub> ): Sri Lankan consumers' perceived expressiveness of using foreign products positively influences their propensity of international outshopping.	To identify the influence of Sri Lankan consumers' perceived expressiveness of using foreign products on the propensity of International outshopping.	.182	.079	Rejected
Hypothesis 2 (H <sub>2</sub> ): Sri Lankan consumers' perceived reliability of foreign retail service positively influences their propensity of international outshopping.	To identify the influence of Sri Lankan consumers' perceived reliability of foreign retail service on the propensity of International outshopping.	.205	.037	Accepted
Hypothesis 3 (H <sub>3</sub> ): Sri Lankan consumers' perceived enjoyment of outshopping positively influence their propensity of international outshopping.	To identify the influence of Sri Lankan consumers' perceived enjoyment of outshopping on the propensity of International outshopping.	.306	.006	Accepted

## Discussion and Conclusion

### Discussion

The empirical results of the accepted hypotheses emphasize that; first, for Sri Lankan consumers, perceived reliability of foreign retail service has a positive influence and lead towards a propensity of international outshopping. Therefore, Sri Lankans may have a negative perception of the local markets and turn towards foreign markets to purchase genuine products and avoid the risk of purchasing a counterfeit (Wang et al., 2010). This confirms that retail service reliability of foreign services motivates Sri Lankans to trust them (Perera & Silva, 2012). However, this type of behavior is common in high uncertainty avoidance cultures (Yaveroglu & Donthu, 2002). Therefore, the results of this study provide evidence on how a low uncertainty country such as Sri Lanka could also believe foreign products are more reliable and seek them internationally. As a result, it would seem global brands are subject to serious counterfeiting and carry an inherent doubt about quality in countries regardless their attitude on uncertainty. Second, for Sri Lankan consumers, perceived enjoyment of outshopping has a positive influence and lead towards a propensity of international outshopping. Therefore, spending money to travel abroad for shopping could be a demonstration of achievement in a masculine culture. The retail environment (Jarratt, 2000), human interactions (Bloch et al., 1994), and travelling (Ibrahim & Chye, 2002) are the sources of outshopping enjoyment and common in masculine societies. However, according to (Jayatilleke & Gunawardena, 2016), Sri Lanka primarily show characteristics of a low masculinity culture. Moreover, according to Irfan (2016), Sri Lanka score extremely low masculine but in practically Sri Lanka is masculine particularly due to the patriarchal system in which men and masculine characteristics would dominate. Third, for Sri Lankan consumers perceived morality to support domestic industries has a positive influence and lead towards a propensity of international outshopping. This is contrary to the common belief that ethnocentric consumer shows a negative tendency to shop abroad to help the domestic economy. However, Durvasula and Lyonski (2006), suggests even the ethnocentric consumers in highly collectivist countries such as Sri Lanka, may still have positive perception about foreign products. Therefore, the Sri Lankans morality to purchase domestic products could be overshadowed by the superior quality of foreign products. Finally, the results show that there is no significant relationship between Sri Lankan consumers' perceived expressiveness of using foreign products and the propensity of international outshopping. However, there is a positive relationship as hypothesised although there is no significant relationship strong enough to support the



hypothesis. This indicate that some Sri Lankans consumers perceive foreign brands and products as carriers of symbolic value and show a propensity of international outshopping while majority do not.

### **Implications**

Existing literature on international outshopping tend to be limited and inconsistent across studies (Piron, 2000; Wang et al., 2010), particularly a country's cultural motives on international outshopping. the findings of the current study extend the literature in terms of consumer behaviour, international outshopping, and national culture. In terms of contribution towards existing studies related to consumer behaviour and outshopping behaviour, as evident from the current study, Sri Lankans view foreign products with superior reliability. However, counterfeiting products and poor local services in the Sri Lankan markets contributes to Sri Lankans stronger desire to shop abroad. Consumers in Sri Lanka are starting to pay greater attention to their living standards as they have become more aware of how others live across the world as a result of increased education and sharing of knowledge, which has also led to an increase in consumerism. For instance, the upper class in Sri Lanka places higher importance on achieving self-actualization and self-esteem (De Silva et al., 2020). There are significant disparities in how people perceive and accept foreign brands due to cultural differences. Due to these cultural differences, using a successful promotional strategy from one part of the world may not succeed in another especially in the case of MNCs (Camilo & Davit, 2015; Godey et al., 2013). It can also be identified that the current study seems to contribute towards extending literature related to cultural motives of international outshopping behaviour of consumers based on the Hofstede's dimensions of national culture (Wang et al., 2010). Moreover, this accentuates studies which have adopted the social identity theory as a model in consumer behavioral studies to explains the conflict and cooperation between in-groups and out-groups (Tajfel, 1974; Tajfel & Turner, 1986).

The insights of the can be utilised by local vendors, foreign retailers, and MNCs alike to understand why Sri Lankans tend to outshop abroad instead of within the country. Accordingly, the practical implications of the study include, companies can create promotional efforts that resonate with the main aspects that might affect Sri Lankan consumers by recognizing and comprehending these cultural distinctions, and so be more successful than just translating a campaign utilized elsewhere. Foreign businesses need to develop successful methods to cope with these new Sri Lankan customers based on their understanding of the reasons behind international outshopping behaviour. Furthermore, foreign shops need to comprehend the emotional demands of Sri Lankan tourists. Sri Lankan outshoppers would spend more money if they enjoy the shopping

experience. Foreign retailers and malls could also collaborate with tourism agencies who are accompanying Sri Lankans to plan trips to their stores.

### **Limitations and Avenues for Future Research**

There are few limitations in this study which are notable. They include the influence of the two dimensions; Long Term/Short Term Orientation and Indulgence/Restraint, are not addressed in the current study (Hofstede, 2011). The sampling and the data collection also contribute to limitation in the current study. The collected data from 90 respondents do not provide a comprehensive coverage of all social groups in Sri Lanka. This might affect the generalisability of the study. Another limitation of the current study is the ongoing economic crisis in Sri Lanka. This adverse economic condition may have interfered with the respondents' evaluation. For example, the economic crisis has made imported foreign products more expensive and less available in the domestic market. This could influence Sri Lankans motives for PIO. Similarly, economic pressure could prevent or increase foreign travel by Sri Lankans at an unnatural manner. The future research can focus on collecting data from targeted demographics in different economies and markets. This will cover different social classes, income levels, educational levels, etc. this will be beneficial to domestic and foreign retailers in market segmentation. Additionally, a cross cultural study can be implemented comparing Sri Lanka with countries with similar cultural characteristics. Furthermore, a study based on the qualitative research methodology can be conducted to do an in-depth analysis. Finally, the current study was conducted at a time when Sri Lanka was facing a challenging economic and financial crisis along with the aftermath of being affected by the Covid-19 pandemic. This may have affected the mindset of the respondents, subsequently their responses in the current study. Therefore, future researchers can use longitudinal studies rather than cross sectional surveys to capture a better understanding of the research objectives. Future research potential and avenues are suggested to further enhance the reliability of the findings and implications of the current study.

### **Conclusion**

This study managed to address the objectives of the study and identified an insignificant influence of Sri Lankan consumers' perceived expressiveness of using foreign products on the propensity of International outshopping, and a significant influence of Sri Lankan consumers' perceived reliability, perceived enjoyment, and perceived morality on the propensity of International outshopping. Therefore, H2, H3, and H4 are supported based on data collected and analyzed from 90 respondents sample collected via a questionnaire. The theoretical and practical implications of the study suggests that retailers need to give

more emphasis to focus and better understand consumers' cultural orientation in the international market. The reasons why consumers from developing nations such as Sri Lanka differ from those from other cultures such as developed western countries can be examined using the international outshopping motives outlined by our suggested cultural antecedents. From a managerial standpoint, this study highlights a number of important elements that may be taken into account when creating marketing strategies that would effectively target international outshoppers from foreign countries or retaining the local customers in the home country, using Sri Lankan outshoppers' cultural motives as a basis. Retail services in both developed and developing countries should recognize the significance of outshopping motives that may determine the number of consumers travelling from one country to another in order to enter the global retail market. Furthermore, the national cultural motives of people in a particular country will reflect a unique consumer behaviour compared to countries that vary in culture.

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## **Title: E-Wallet Adoption Trends: Unraveling Consumer Preferences in Financial Transactions**

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### **Abstract**

The purpose of this study was to examine customer preferences towards E-Wallets. The study's objectives include investigating the growth sector (2018-2023), the business model of E-Wallets, E-Wallet functions, E-Wallet classification, understanding how E-Wallets work, and factors influencing the use of E-Wallets. The researcher employed the non-probability convenience sampling method, selecting Ahmedabad as the study area with a sample size of 160. The study is based on both primary and secondary data. Questionnaires served as the research tool for collecting primary data, while secondary data was sourced from research papers and websites.

The major findings indicate that respondents began using digital payments during and after the pandemic. E-Wallets attract customers due to their convenience and speedy transactions. The primary competitors in the market are Paytm, Google Pay, PhonePe, BHIM, and Amazon Pay, offering a wide range of services. These companies aim to provide transaction services and payment choices to their customers. While digitalization has been underway for quite some time, the recent surge in growth indicates an increasing recognition and understanding of apprehensions related to security concerns associated with online

payments. Key factors influencing the use of e wallet are identified and they are time efficiency, ease of use, and security.

Keywords: Digital wallet, Awareness, Perceptions, Fund Transfer

## **Introduction**

India stands as one of the rapidly advancing economies globally, housing a population exceeding 1.3 billion. The integration of E-Wallets has become an integral part of our daily lives. Essentially, an E-Wallet is a card utilized for online transactions via smartphones or laptops, with the younger demographic favoring it over traditional debit/credit cards. E-Wallets primarily consist of software and data factors. The software element stores personal information and employs encryption for data security, while the data factor includes user-provided database details like name, payment information, shipping address, and preferred payment method. The convenience of going cashless eliminates the need to carry physical money; instead, one can simply download an E-Wallet and link it to their bank account. E-Wallets facilitate payments for various purposes such as shopping, groceries, railway tickets, mobile recharge, and electricity bills. The bills are conveniently payable through these digital platforms, and registration is hassle-free, typically requiring a mobile number or email address.

The inception of E-Wallets in India dates back to 2006 with the launch of Wallet365.com by the Times Group in collaboration with Yes Bank. Regulatory bodies like the Reserve Bank of India (RBI) have mandated E-Wallets to comply with Know Your Customer (KYC) requirements, enabling users to transfer amounts up to 1 lakh.

Demonetization on November 8, 2016, wherein 500 and 1000 rupee notes were invalidated, spurred wider acceptance of digital payments. E-Wallets emerged as a popular choice, being a digital version of the traditional wallet. They offer a secure and convenient means of making purchases or receiving payments. The government is actively promoting a cashless economy, and the digital payment industry in India has demonstrated robust growth from 2013 to 2017.

Amidst the COVID-19 pandemic, people are reconsidering their use of physical currency due to concerns about its potential role in spreading infectious diseases. Consequently, the preference for digital payment systems has surged. Digital payments provide a secure and contactless mode of transaction between buyers and sellers. E-Wallets, evolving beyond basic financial transactions, now encompass features such as person-to-person payments, diverse payment methods, balance inquiries, reporting functions, and reward programs.

As society navigates these changes, E-Wallets offer a comprehensive solution, consolidating the functionalities of traditional wallets into a single, digital platform. These digital wallets not only handle financial transactions but also serve as a means of authenticating users and verifying age credentials, particularly in the purchase of regulated items like liquor.

## **Literature Review**

According to Thangajesu Sathish (2020) in this report the research conclude that E-Wallet are acquire acceptance as a mainstream mode of payment and in near future. The E-Wallet users give very high level of importance to attributes like surety, secrecy concerns and pricing. E-Wallet as mode of payment is the tendency of people to do not move out of comfort of using traditional mode of payment. And the study has discussed that trust is the main factor.

According to Sarika Prabhakaram (2020) this study motivated on whether security, trust, risk, challenges will influence the user's decision in accepting mobile wallet. The study talk about the confidence is the key factor that directly affects the happiness of the users and the impact the purpose of adopting mobile wallet. Result shows that confidence has a substantially positive effect on digital wallet use P. Sarika and Dr. S. Vasantha (2018).

According to Raenu Kolandaisamy (2020) in this report the E-Wallet is rising immensely due to convenience of E-Wallet or the payment in this busy era. And many customers often prefer cash in hand to the traditional way because they think that cash in hand is more safe than E-Wallet. This is the viewpoint of old generation relative to that young generation, just like other, everything has its pros and cons. And need to make the right choices as wise users and have the awareness of the E-Wallet that we use.

According to Dr. Chaitali Shah and Dr. Avani Raval (2020) this result of research indicates how personality has a definite impact on perceptions towards digital wallets. Risk taking is also strong influence in shaping the preference of digital. Other personality traits such as extroversion, conscientiousness, agreeableness and emotional stability also have positive impact in shaping individual's choice of digital wallets.

Usability plays a crucial role in determining the success of an e-wallet platform. Studies have shown that users prefer platforms with intuitive interfaces, easy navigation, and seamless transaction processes. Research by Hassenzahl and Tractinsky (2006) emphasizes the importance of perceived usability in enhancing user satisfaction and adoption of technology. Platforms like PayPal and Venmo are lauded for their user-friendly interfaces and simple registration processes, making them popular choices among consumers.

According to Prof. Vijayashri Machindra Gurme (2019) The study indicated that main reason for low preference of E-Wallet as mode of payment are tendency of people to do not move out of comfort of using traditional mode of payments, privacy concerns and threat to security. The major problems often met by the respondents while using E-Wallet are long transactions time taken by E-Wallet for processing the transaction, security breach and delayed payment.

### **Research Problem**

The research problem revolves around identifying the factors influencing the usage of E-wallets, particularly in the context of varying customer perceptions. Additionally, it aims to compare different online platforms offering E-wallet services to determine the most preferable platform among customers and the reasons behind their preferences.

### **Research Gap**

The existing literature presents a mixed review of E-wallet usage among customers, with some finding it trustworthy while others express discomfort and lack of trust. Despite this mixed response, there has been a significant increase in E-wallet usage post-COVID-19 pandemic. However, there is a lack of comprehensive understanding regarding the factors influencing customers' decisions regarding E-wallet usage. Therefore, there exists a gap in the research regarding the identification of these factors and a comparative analysis of different online platforms to discern customer preferences.

### **Research Methodology**

This study was conducted considering 180 respondents from Ahmedabad city. Researcher has used non probability convenience sampling method for data collection. The usage of E wallet was suddenly increased after the covid pandemic. People started using online payment platforms and specifically E wallets after knowing the benefit of payments without touch. The primary objective of this study was to identify factors influencing the usage of E wallet. Also compare online platforms and identify the most preferable platform by the customers.

The research was descriptive in nature and describes the demographic profile of people who were considered in research. The research involved the collection of data from both primary and secondary sources. A structured questionnaire was formulated and administered to 180 respondents, with responses obtained from 160 individuals. Personal contact was made with E-Wallet users who were requested to provide their input through the questionnaire. Additionally, data was gathered from secondary sources to validate certain



assumptions pertaining to E-Wallet usage. Identification of problem to data collection took almost eight months.

### **Hypothesis**

H1: There is a significance difference in the perception regarding various E wallet alternatives.

### **Result:** Demographic Profile of Respondents

Table: 1 Gender

<b>Gender</b>	<b>Respondents</b>
Male	63%
Female	37%

Table 2: Age

<b>Age</b>	<b>Respondents</b>
18-25	43%
25-45	25%
>45	32%

Table 3: Sources of Awareness

<b>Sources</b>	<b>Percentage</b>
Friends/Family	41.3%
Social Media	31.9%
Television	15%
Magazine	6.3%
Newspaper	5.6%

The majority of respondents were males aged between 18 and 25. The survey findings revealed that 63% male respondents and 37 % females were involved in research. 41.3% of participants learned about E-Wallet payment services from friends or family, while 31.9% discovered it through social media. Television was the source for 15% of respondents, magazines for 6.3%, and newspapers for 5.6%.

Table 4 Challenges faced while using E wallet

Challenges faced	Percentage
Yes	20.6%
No	79.4%

Table 5 Promote cashless payments

Promote Cashless Payments	Percentage
Yes	70%
No	30%

The data indicates that 79.4% of respondents encounter no issues while using E-Wallets, while 20.6% face challenges. Additionally, 70% of users actively believe in the promotion of cashless payments, whereas the remaining 30% do not actively support this shift.

Table 6 Factor Analysis

Factor1:Time Efficiency	Factor 2 : Ease of Use	Factor 3: Security
Average Transaction Processing Time	Simplicity of Sign-Up	Fingerprint/Facial Recognition
Time for service integration	User Preferences	Strong Password Policies
Support response time	In-App Guidance	Automatic Logout
	Confirmation Screens	Fraud Detection
	Multilingual Support	

Table 7 Preference towards E wallet options

Preference	Percentage
PAY TM	21%
GOOGLE PAY	43%
AMAZON PAY	12%
BHIM	8%
PHONE PE	16%

Through factor analysis, reasons influencing E-Wallet usage were identified, with key factors being time efficiency, ease of use, and security. Some limitations were also highlighted, such as the inability to conduct international transactions directly from the wallet. A significant portion of respondents, more than 10 times, used E-Wallets, with 48.1% loading over 1000 currency units monthly. Furthermore, the results indicate a preference for Google Pay among a higher number of respondent.

## Discussion & Conclusion

The term "E-Wallet" signifies a sophisticated cashless service designed to replace traditional physical currency notes. This innovative system empowers individuals to conduct seamless transactions without the need to visit ATMs or banks for cash withdrawals, enabling instant and efficient exchanges of goods and services. E-Wallets have gained prominence as a leading method for financial transactions, eliminating the dependence on physical cash movements. The primary objective of E-Wallets is to streamline transactions, discouraging the use of traditional cash. The surge in the popularity of E-Wallets is closely linked to the aftermath of demonetization. However, a persistent lack of trust in digital payments persists, with some individuals expressing reservations due to concerns about internet security risks.

The results of the research unveil compelling insights into E-Wallet adoption. A predominant demographic of male respondents aged between 18 and 25 emerged, showcasing a concentrated interest in E-Wallet usage within this age group. The diverse sources through which participants learned about E-Wallets, such as friends, family, and social media, underscore the pivotal role of interpersonal connections and digital platforms in disseminating awareness.

The data underscores a positive user experience, with a significant majority reporting no issues while utilizing E-Wallets. Additionally, a substantial portion actively supports the transition to cashless payments,

indicating a growing acceptance of digital financial transactions. However, it is noteworthy that a significant percentage remains reserved about actively promoting this shift.

Factor analysis revealed that time efficiency, ease of use, and security are pivotal factors influencing E-Wallet adoption. However, certain limitations, such as the incapability to perform international transactions directly from the wallet, were identified, signaling areas for improvement and development.

The survey results highlight a frequent and substantial usage of E-Wallets, with a noteworthy percentage loading significant amounts on a monthly basis. Notably, Google Pay emerges as a preferred platform among a significant proportion of respondents. Overall, the findings present a comprehensive overview of the positive trends and preferences in E-Wallet usage, while also shedding light on areas for further enhancement and considerations for continued technological evolution in the financial domain.

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