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## *From The Editor's Desk*

I take this opportunity to thank all contributors and readers for making *Tecnia Journal of Management Studies* an astounding success. The interest of authors in sending their research-based articles for publication and overwhelming response received from the readers is duly acknowledged. I owe my heartfelt gratitude to all the management institutes for sending us their journals on mutual exchange basis, and their support to serve you better.

We are happy to launch the Thirty One issue of our academic journal. The present issue incorporates the following articles:

- ❖ Spatio-Temporal Effects of Precipitation Effectiveness Indices on the Yield of Some Selected Cereal Crops in Taraba State, Nigeria
- ❖ The Influence of Corporate Social Responsibility on Actual Buying Behavioral (Study of Indian Consumers)
- ❖ The Relevance of Environmental Studies Nowadays
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My thanks to the authors, Ezra, A., Barnabas Nuhu, Yakubu, Adebayo, A. A., Zemba, A. A , Umar, A. S., Hayri Uygun, Rashmi Gujrati, Marinică Tiberiu Şchiopu, Hayri Uygun, Gagandeep Kaur, V. Susmitha Patnaik, B. Santosh Patnaik, YVVSSS Vara Prasad, Lovejit Kaur, Sandeep Kumar, Ajay Kumar, Srishti, Sunita Bhartwal, Sweta Bakshi, Manu Chauhan, Ravindra Kumar Gupta, Mukesh Kumar Jain, Swati Aggarwal, Rohit Kumar Shrivastav, who have sent their manuscripts in time and extended their co-operation particularly in following the American Psychological Association (APA) Style Manual in the references.

I extend my sincere thanks to our Chairman Dr. R. K. Gupta, who has always been a guiding light and prime inspiration to publish this journal. I am grateful for his continuous support and encouragement to bring out the Journal in a proper form. I also appreciate Editorial Committee Members for their assistance, advice and suggestion in shaping up the Journal. My sincere thanks to our distinguished reviewers and all team members of Tecnia family for their untiring efforts and support in bringing out this bi-annual Journal.

I am sure the issue will generate immense interest among corporate members, policy-makers, academicians and students.

**Editor**

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# SPATIO-TEMPORAL EFFECTS OF PRECIPITATION EFFECTIVENESS INDICES ON THE YIELD OF SOME SELECTED CEREAL CROPS IN TARABA STATE, NIGERIA

Ezra, A.\*

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**Abstract:** Precipitation effectiveness indices is one of the important aspects of climate that has a direct relationship with crop cultivation. They are relevant in measuring the quantity and period of available moisture utilized by plants, which is essential in appropriate crop selection for planning. It is against this background that this paper examines the relationship between the indices and yield of some selected crops, and then identified the critical indices that affect the yield of the crops in Taraba State. Precipitation indices and yield of Maize, Rice, Sorghum, Cowpea, Suya Beans, Groundnut and Sesame were the data used in this study. Daily and monthly precipitation records as well as yield of the selected crops were collected from Taraba State Agricultural Development Program (TADP). Station-year method for a period 2011 to 2019 was used where both Precipitation indices and crops yield were subjected to stepwise regression to examine the effects of precipitation indices on yield of the selected crops. Result of the analysis revealed that Onset date of rain was the selected critical indices for yield of Maize in the state and it contribute negatively (-0.077) at  $p=0.008$  to the variation in yield of maize in the state while Cessation date of rain, rainfall in September and rainfall in June were the critical precipitation indices selected for rice yield and contributed -0.918, -0.017, -0.009 at  $p=0.002$ ,  $p=0.003$  and  $p=0.028$  respectively. In the case of Sorghum yield, rainfall in August was the critical precipitation indices selected and the variable contributed 0.003 at  $p=0.013$  to the variation in yield of the crop in the state. Rainfall in June and Hydrological ratio on the other hand were selected as the critical indices affecting yield of Sesame. The variables contributed -0.123 at  $p=0.007$  and 13.392 at  $p=0.033$  respectively for the variation in the yield of Sesame in the state. Following the results of this studies, it was concluded that Hydrological ratio, Onset date of rain, cessation date of rain, rainfall in June, July, August and September were the critical climatic factors affecting the yield of cereal crops in the state, as such there is a need to inform farmers on the significant effects of these factors on crops. In addition, there is also a need for Government and non-Governmental intervention to farmers in terms of farm input to improve their crop cultivation.

**KEYWORDS:** Precipitation Effectiveness Indices, Cereal crops and Taraba State

## introduction

Precipitation effectiveness indices are some of the critical climatic indices that affect the growth and

yield of crops. The indices have a direct relationship with crop cultivation at different level of development of the crop (Ezra et al., 2020a and Haruna & Tasi'u,

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2017). The indices include all the months in rainy season, beginning and termination of rainy season, number of rain days, intensity of precipitation, the wetness and dryness condition of an area, length of rainy season, dry spell and the spread and steadiness of rainfall. All these indices are referred to as the major climatic controller of crop yield in the tropical savanna region (Adebayo, 2000). They are played an important role in measuring the quantity and period of available moisture utilized by plants, which is essential in appropriate crop selection for planning (Kimamo, 2019 and Moncunill, 2006). They also determine the type of crop to cultivate in a given area, the yield of the crop and farmers' profit (Ayoade, 2005 and Adebayo, 2010). As such, availability of soil moisture, time of occurrence of rainfall, its spread, intensity, frequency, and other rainfall indices strongly determine plant growth, yield potentials and other agricultural operation than the total amount of rainfall received in the rainy season (Mostafa et al., 2015 and Ezra et al., 2020a) based on the fact that, the efficiency of rainfall at different developmental stages of plant growth is more relevant than the volume of rainfall received in a season (Ezra et al., 2020a and Kimamo, 2019). Similarly, monthly rainfall especially at critical stage of crop growth (vegetative and reproductive stage) is significant to the growth and yield of crop (Ezra et al., 2020a). In regards to all these assertions, there is a clear indication that the temporal and spatial pattern of precipitation effectiveness indices affects crop cultivation at different level.

Several studies in Taraba state report the spatio-temporal variation on the precipitation effectiveness indices. For example, Ezra et al., (2020b) documented that, LRS in the area is decreasing and that will have a negative impact on crops based on fact that LRS which determines the duration of the rainy season is decreasing and that will not support the growth and yield of long maturing crops. They also documented that, there is a positive slope of Seasonality Index in the area which is clear evidence that the study area is getting drier annually. In other word, the study area is affected with shorter spread and steadiness of rainfall during the rainy season, making the area to be dry leading to poor crop yield. It is based on this study that this research was designed to examine the effect of precipitation effectiveness indices on yield of some selected cereal crops in the state.

## 2.1 Study Area

Taraba State was carved out of the former Gongola State on 27th August 1991 by the then regime of

General Ibrahim Babangida. The State is one of the Nigerian thirty-six (36) state which is located in North-Eastern part of the country and has a coordinate of latitude 6o30' and 8o30' North of equator and longitude 9o00' and 12o 00' East of the Greenwich meridian (Figure 1).

The area is made up of high plains which covered those parts of the Benue low lands lying above flood level but below 1000 ft contour line and include places around Karim Lamido, Jalingo, Sunkani and some part of Wukari while the high highlands are erosional in nature and are cut in sedimentary formations. River Benue is the major river in the state (Adebayo and Umar, 2020) while River Donga and Taraba are the other dominant river systems which flow across the Muri plains to drain the entire State together with the minor ones, such as the Lamorde and Mayo Ranewo (TYPA, 2009).

In terms of spatial pattern of the moisture variables, Ezra et al (2020b) documented that mean annual rainfall, onset of date of rain, cessation date of rain, hydrological ratio, relative humidity and LRS showed a similar distribution where the highest value of the variables was recorded around Sardauna, Ussa, Kurmi, Takum and Gashaka LGAs in the southern part of the state, while places like Karim Lamido, Lau, Ardo-Kola, Jalingo, Zing, and Yorro LGAs have the lower values of moisture parameters. In specific, precipitation indices with the exception of 5-dry spell and seasonality index showed a higher value in the southern stations of the study area compared to those stations in the northern part of the State which clearly explains that the values of the parameters decrease as latitude increases and increases as altitude increases, which also explained the influence of maritime air mass and altitude. This spatial rainfall implies that, the northern parts of the state around Karim, Lau, Sunkani, Jalingo, Zing and Yorro have a range mean annual rainfall between 1,034mm to 1,201mm while places around Gembu, Mayo Ndanga, Nguroje, Maisamari, Lissam Sambo, Tosso and Gadin have a mean annual rainfall between 1,640 and 1970mm. Onset date of rain, on the other hand, showed that rainfall in the northern part of the state around Karim, Lau, Sunkani and some parts of Jalingo start around 1st-10th May while the southern part of the State around Gembu, Mayo Ndanga and Nguroje experience start of rain around 16th-31st March. In a similar pattern, the cessation date of rain in the northern part of the state end between 1st-10th October but, lasted in the Southern part of the state between 1st - 5th November. Seasonality index, on the other hand, showed that,



seasonality index in the northern region of the State showed a value between 0.95 to 1.02 which clearly explained that, the region recorded high rainfall in few months and is markedly seasonal with long drier season, while the southern region of the state has seasonality index value between 0.68-0.75 which means that, the southern region is characterized by seasonal rainfall.

Alluvial soil type is found on the flooded plains of rivers they run along Benue River and other rivers, and do not depend highly on climate and vegetation for their formation but their underlying parent rock is the most important factor in their formation (Iloeje, 2001). Sudan Savanna, Northern Guinea Savanna, Southern Guinea Savanna, Forest derive savanna and mountain forest and grassland are the major vegetation types in the State (Ekaete, 2017). Sudan Savanna covered places around Karim Lamido, Lau, Jalingo, Ardo Kola, Yorro and Zing LGA, while Northern and southern Guinea savanna covers the major part of the State and include LGAs such as Gassol, Ibi, Wukari, Donga, Bali, Takum, Ussa, Kurmi and Gashaka LGA. Mountain forest on the other hand is found in the higher altitude of the state around Gembu.

### 3.1 Materials and Methods

#### 3.1.1 Onset, Cessation, and Length of Rainy Season

Onset date of rain according to Adebayo, (2000) is a period at which the soil moisture is sufficient for the establishment of the crop while Cessation is the termination of the effective rainy season. Walter (1967) defined it as the period in which a place receives an accumulated amount of rainfall that is sufficient for growth of crops. In another word, it is a month with the soil moisture level required for plant germination ( $\geq 51\text{mm}$ ). Olaniran's (1988) modified Walter's method and documented that in a situation where rainfall amount of a month immediately after the onset is less than 51mm, the subsequent month with greater than 51mm will be considered as onset month. Length of rainy Season (LRS) on the other hand is the total number of rainy days between the onset and cessation date. Given the nature of rainfall distribution in Northern Nigeria, modified method of Olaniran, (1988) was used in this paper. In computing the indices however, the onset date of rain was computed from the beginning of the year (January) while the cessation date of rain was computed from the end of the year (December). The equations used are presented below;

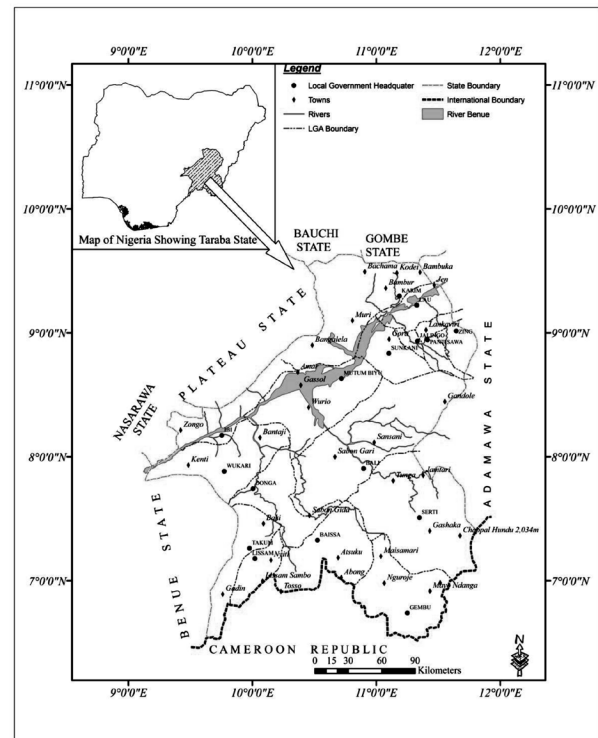


Figure 1: Taraba State

$$\text{Onset} = \frac{xn(51 - \sum x_r)}{y} \text{-----Equation 1}$$

$$\text{Cessation} = \frac{xn(51 - \sum x_r)}{y} \text{-----Equation 2}$$

Where;

xn = Number of days in the first month whose rainfall is  $\geq 51$  (For onset date of rain)

$\sum x_r$  = Rainfall total of the previous month

y = Total rainfall of the first month with rainfall  $\geq 51\text{mm}$ .

#### 3.1.2 Dry-spell

Dry spell is a period where the weather has been dry, for an abnormally long time but shorter than and not as severe as a drought (Wilhite & Glantz, 1985). It is a period in which there is a break in rainfall during the rainy seasons at different time interval. Dry spell according to Adebayo, (2000) is a period (day) during the rainy season with precipitation of less than 2mm. this is based on the fact that, precipitation of less than 2mm which is also refers to as trace has no significance influence on agriculture since most of these small amounts evaporate before infiltrating the soil. In respect to this fact, a period of consecutive rainfall of  $< 2\text{mm}$  for five days during the rainy season was considered to be dry spell in this study as also used by Sawa and Adebayo (2011).

**3.1.3 Seasonality Index**

Seasonality Index is the sum of absolute deviation of mean monthly rainfall from the overall monthly mean divided by the mean annual rainfall. It measures the spread and steadiness of rainfall during the wet season (Adebayo, 2000). In this study, monthly and annual rainfall of all the selected meteorological stations was used for the analysis.

According to the method of Walsh and Lawler (1981), the seasonality Index was computed as follows:

$$SI = 1/R \sum |X_n - \frac{R}{12}| \text{ ----- Equation 3}$$

SI = Seasonality Index (Absolute value)

X<sub>n</sub> = Mean Rainfall of month n

R = Mean annual Rainfall

The method was used to derive the spread of the rainy season in the area, it explain that, the higher the SI values, the shorter the spread of the rainy season, implying the drier the place, and vice versa. The index varies from zero, if all the months have equal rainfall, to 1.83 if all the rainfall occurs in a single month (Chisomo et al., 2014). The qualitative classification of degrees of seasonality index suggested by Walsh and Lawler (1981) was used in interpreting the seasonality result obtained in the study area.

**Table 1:** Seasonality Index

SI class limit	Rainfall Regime
< 0.19	Rainfall spread throughout the year
0.20-0.39	Rainfall spread throughout the year, but with a definite wetter season
0.40-0.59	Rather seasonal with a short drier season
0.60-0.79	Seasonal
0.80-0.99	Markedly seasonal with a long dry season
1.00-1.19	Most rainfall in less than 3 months
> 1.20	Extreme seasonality, with almost all rainfall in 1–2 months

Source; Walsh and Lawler (1981)

**3.1.4 Hydrological Ratio**

Hydrological Ratio measure the ratio between mean annual rainfall and potential evaporation of a place. The value shows the level of wetness or dryness of a place. The index helps in decision making in agriculture because it provides a guide on the best choice of an area where a particular type of crop will not only thrive but will equally have high yield or reach optimum growth level (Adebayo, 2000). The ratio is measured as:

Hydrological Ratio = precipitation (P)/potential evapotranspiration (PE). - Equation 4

**3.2 Method of data Analysis**

In an attempt to examine the effects of precipitation effectiveness indices on crops yield, statistical or empirical method suggested by Ayoade (2005) was used. In addition, the Station-Year method was applied and the indices selected in the regression were identified to be the critical indices for the yield of the selected crops in the area. The statistical or empirical method used in this paper was tested to be the best method in crop-climate relationship over time and space (Adebayo, 2000; Ayoade, 2005; Lobell & Burke 2010; Shi., Tao and Zhang 2013)

**4.1 Results and Discussions**

Table 2 showed the effect of critical agro-climatic elements on the yield of maize in the state and the result revealed that onset date of rain is the variable that is highly significant to the yield of the crop in the state. The prediction model showed a significant F-value of 24.390 at p<0.01 and the coefficient of determination (r<sup>2</sup>) is 0.859 which implies that the variation in yield of maize is accounted or explained by precipitation indices variable to 85.9% leaving the remaining percentage for other factors to explain in the state. The selected climatic factor also displayed a coefficient value of -0.077 which explained that onset date of rain in the study area contributed negatively to the yield of maize in the state and suggested that a unit increase in onset date of rain will lead to decrease in yield of maize by 0.077 based on the fact that increase in onset date of rain is directly reducing the LRS in the state which will affect the growth and yield of crops especially long maturing varieties (Ezra et al., 2020b).

**Table 2:** Stepwise Regression result between Maize and Climatic Variables

Predictors	Coef	SE Coef	T	R2 (%)	F-Value
Constant	3.113	0.334	9.334**		
Onset date of rain	-0.077	0.016	-4.939**	85.9	24.390**

Source: Calculated from precipitation effectiveness indices and selected crops yield, (2021)

Cessation date of rain, September and June rainfall were the critical climatic elements affecting the yield of rice in the state as shown in Table 3 and accounted for 99.7% to the variation in the yield of the crop. The model also displayed a significant F-value of 553.374 at p<0.01 and suggested that a unit increase in cessation date of rain, rainfall in September and June will lead to a decrease in the yield of maize

by 0.918, 0.017 and 0.009 respectively. In the same vein, Cessation date of rain and September rainfall displayed a negative contribution of 0.622 and 0.010 respectively and accounted for 98.3% to the variation in the yield of Suya Beans (Table 4). This result clearly suggested that cessation date of rain, September and June rainfall contributed negatively to the yield of rice in the state and any increase in the amount of the parameters will lead to a decrease in the yield of the crop in the state while decrease in the amount of the parameters will increase the yield of the crop.

Result on the effects of precipitation indices on yield of Sorghum in Table 5 revealed that August rainfall is the critical indices detected to be significant to the yield of the crop and the prediction model displayed a significant f-value of 18.174 at  $p < 0.05$  and accounted for 82.1% to the variation in the yield of the crop in the state. The model also showed a positive contribution of August rainfall of 0.003 and a significant t-value of 4.280 at  $p < 0.05$ . Result on the effect of precipitation indices on yield of Cowpea in Table 6 also showed that August rainfall has a positive effect of 0.011 on the yield of Cowpea and contributed 58.9% to the variation of the yield of the crop in the state. This result clearly explained that a unit increase in August rainfall amount will lead to an increase in the yield of Sorghum and Cowpea in the state based on the fact that August rainfall coincide with vegetative stage of the crops in the region where water requirement during that stage is high (Ezra et al., 2020a and Ezra et al., 2016).

**Table 3:** Stepwise Regression result between Rice and Climatic Variables

Predictors	Coef	SE Coef	T	R2 (%)	F-Value
Constant	61.240	2.547	24.047**		
Cessation date of rain	-0.918	0.038	-23.903**	72.5	14.203*
September Rainfall	-0.017	0.001	-18.018**	96.4	68.066**
June Rainfall	-0.009	0.002	-5.817*	99.7	553.374**

**Source:** Calculated from precipitation effectiveness indices and selected crops yield, (2021)

**Table 4:** Stepwise Regression result between Suya Beans and Climatic Variables

Predictors	Coef	SE Coef	T	R2 (%)	F-Value
Constant	39.633	3.449	11.490**		
Cessation date of Rain	-0.622	0.061	-10.122**	81.2	17.222*
September Rainfall	-0.010	0.002	-5.562*	98.3	88.531**

**Source:** Calculated from precipitation effectiveness indices and selected crops yield, (2021)

**Table 5:** Stepwise Regression result between Sorghum and Climatic Variables

Predictors	Coef	SE Coef	T	R2 (%)	F-Value
Constant	0.400	0.134	2.984*		
August Rainfall	0.003	0.001	4.280*	82.1	18.315*

**Source:** Calculated from precipitation effectiveness indices and selected crops yield, (2021)

**Table 6:** Stepwise Regression result between Cowpea and Climatic Variables

Predictors	Coef	SE Coef	T	R2 (%)	F-Value
Constant	-1.137	0.856	-1.328		
August Rainfall	0.011	0.004	2.859*	58.9	8.174*

**Source:** Calculated from precipitation effectiveness indices and selected crops yield, (2021)

Rainfall in the month of June is another index identified to be critical in the yield of Sesame as shown in Table 7 and the parameter showed a negative contribution of 0.123 in the yield of Sesame. This result clearly revealed that a unit increase in June rainfall will lead to a decrease in the yield of Sesame by 0.123 and also explained that rainfall in the month of June is not favorable for the yield of the crop in the state. Hydrological ratio which determined the level of wetness and dryness of an area is another parameter revealed to be critical to the yield of Sesame in the state and the parameter displayed a significant positive contribution of 13.392 at  $p < 0.05$  for the crop. This result clearly implies that a unit increase in hydrological ratio will lead to an increase in the yield of Sesame of 13.393 based on the fact that hydrological ratio determined the level of soil moisture in the area which affects the growth and yield of crops as also documented by Adabayo (2000). Result on the effect of precipitation indices on the yield of Ground nut (Table 8) on the other hand revealed that July and September rainfall were the critical indices that determined the yield of the crop in the state where July rainfall showed a significant positive contribution of 0.018 at  $p < 0.05$  while September rainfall showed a significant negative contribution of 0.016 at  $p < 0.01$ . This result suggested that a unit increase in July rainfall will lead to an increase in yield of Ground nut by 0.018 while a unit increase in September rainfall will lead to a decrease in the yield of the crop by 0.016 due to the fact that September marks the maturity stage of crops in the area where low or no rainfall is required for crop growth (Ezra et al., 2020a).

**Table 7:** Stepwise Regression result between Sesame

and Climatic Variables

Predictors	Coef	SE Coef	T	R2 (%)	F-Value
Constant	11.629	2.312	5.031*		
June Rainfall	-0.123	0.018	-6.639**	66.5	7.942*
Hydrological Ratio	13.392	3.553	3.769*	94.2	24.184*

Source: Calculated from precipitation effectiveness indices and selected crops yield, (2021)

Table 8: Stepwise Regression result between Ground Nut and Climatic Variables

Predictors	Coef.	SE Coef.	T	R2 (%)	F-Value
Constant	1.368	0.862	1.587		
July Rainfall	0.018	0.002	10.574**	80.3	16.345*
September Rainfall	-.016	0.003	-4.547*	97.5	58.707**

Source: Calculated from precipitation effectiveness indices and selected crops yield, (2021)

### 5.1 Conclusion

Based on the findings of this study, it was concluded that precipitation effectiveness indices played an important role to the variation in yield of crops in the state and was it observed that hydrological ratio, onset date of rain, cessation date of rain, rainfall in June, July August and September were the critical climatic factors affecting the yield of crops in the state. It was also concluded that onset date of rain is the variable that is critical to the yield maize in the state while cessation date of rain, September and June rainfall were the critical indices affecting the yield of rice in the state. August rainfall on the other hand is the critical indices detected to be significant to the yield of sorghum and Cowpea while rainfall in the month of June was identified to be critical in the yield of Sesame. Hydrological ratio which determined the level of wetness and dryness of an area is another parameter revealed to be critical to the yield of Sesame in the state while July and September rainfall were the critical indices that determined the yield of ground nut in the state.

### 6.1 Recommendation

- i. There is a need to inform farmers and other agricultural agency on the critical climatic factors affecting the yield of the crops in the study area for agricultural planning.
- ii. There is a need to encourage farmers on good and better adaptation methods which will help in unforeseen event that will affect crop yield.
- iii. There is also a need for Government and non-Governmental intervention to farmers in terms of farm input in subsidized and affordable rate

to improve their crop cultivation.

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# THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY ON ACTUAL BUYING BEHAVIORAL (STUDY OF INDIAN CONSUMERS)

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**Abstract:** The purpose of this study is to empirically test the influence of corporate social responsibility (CSR) on the actual buying behaviour of Indian consumers. For this tenacity, responses were collected from 378 Indian consumers. To study the possible relationship, descriptive statistics and regression are used. The result shows that buying intention, intended faithfulness, and consumers' trust of socially responsible firms have a positive impact on consumers' actual buying behavior. Furthermore, this study highlights that intended loyalty towards a socially responsible firm has a profound influence on the actual buying behavior of Indian consumers. An immediate managerial implication of the findings suggests that to attract potential consumers, CSR should be integrated with consumers' marketing mix, given that CSR pays off in the form of better consumer reaction.

**KEYWORDS:** CSR, actual buying behaviour, intended loyalty, purchase intention, regression.

## Introduction

The indication that corporate things have some tasks towards different stakeholders, apart from improving the profitability, has been vigorously argued in the last few decades. Management theorists have been emphasizing on corporate entities to expand their "horizon of concern" and create actual engagement with the different company stakeholders (Maqbool, 2019).<sup>1</sup> They promote the idea that corporate entities should develop an overarching framework that promotes the welfare of all stakeholders (Maqbool & Zamir, 2019).<sup>2</sup> The formal debate on corporate social responsibility (hereafter CSR) started in 1953, when American economist, Howard Bowen, questioned the operating framework of corporate entities. Bowen<sup>3</sup> asserted that "the obligations of businessmen to pursue those policies, to make those decisions or to follow those lines of action which are desirable in terms of objectives and values of our society." Over the period, corporate entities have witnessed a sea change in business functioning

and now practicing more inclusive value creation strategies (Bhattacharya, 2009). Stockholder-centric goals have been taken over by the stakeholders-centric goals and have emerged as an essential philosophy to govern the corporate entity (Fatma & Rahman, 2014). Lately, CSR studies have started to shift focus from ethics to performance orientation and build a nuanced understanding from the micro-level of the company.<sup>4</sup> The strategic importance of CSR has now provided the "business case" for CSR, what Mintzberg<sup>5</sup> calls "enlightened self-interest," as a powerful justification for firms engaging in CSR initiatives. This study aims to extend this line of research by examining the impact of CSR on consumers' actual buying behaviour. In this era, buying products, which are manufactured by socially responsible firms, are highly rated, and consumers prefer to purchase from such companies.<sup>6,7</sup> The study by Handelman and Arnold<sup>8</sup> suggests that customer enthusiastically supports companies with a social element in their market dealings. Furthermore,

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a large number of polls at the marketplace show that CSR has a positive impact on consumer purchasing behaviour.<sup>9</sup> For instance, the Cone Millennial case study observed that 61 per cent of millennials feel that corporate entities should have some responsibilities towards society. Crowther<sup>10</sup> believes that companies of the 21st century can improve their financial performance if they recognize the ethical values and responsibilities towards consumers. The extant literature on CSR is lopsided, given that CSR and its implications on different stakeholders have not been studied at length in developing countries. The literature has mostly focused on developed countries, such as Australia, the USA, and the UK. Pisani et al.<sup>11</sup> observed that only 10 per cent of CSR studies had been carried out in developing countries, despite the majority of the population live in developing countries. The geographical and awareness disparity has motivated us to look at this research work in one of the fast-growing economies, that is, India. This study tries to understand the significance and role of CSR in the consumer's actual buying behaviour. Since consumers are one of the important stakeholders, this study tries to understand whether being a socially responsible company pays off. While studies have focused only on consumer buying behaviour, minimal studies have examined the actual buying behaviour due to socially responsible products in India. The significant contribution of this research work is to study the intricate process that explains the reasons why CSR has a role in the consumer decision process. The research provides a better understanding of intention, trust, and loyalty-behaviour gap. Consumers keep socially responsible firms in high regard and are willing to purchase from these firms, but how much this translate into the actual buying behaviour need to be studied. The study tries to investigate how CSR builds trust, loyalty, and purchase intention and translate into an actual buying behaviour. The rest of the article is structured as: The second section critically reviews the extant research. The third section elucidates the data collection and statistical techniques used. The fourth section focuses on the results of the study. The study ends with a conclusion and recommendations for the managers.

### Theoretical Background and Hypotheses

The most famed theoretical perspective for the study of CSR practices is stakeholders' theory. Ever since Bowen<sup>3</sup> suggested that corporate entities should be responsible for their activities, stakeholders' theory has received considerable attention. Stakeholder theory suggests that for the

success of a corporate entity, it must satisfy the expectations of different stakeholders. The positive working relationship with stakeholders creates a competitive advantage for the firm and instils trust among stakeholders, especially consumers.<sup>12</sup> Freeman (1984) suggests that stakeholder theory is related to those interested groups which affect or affected by the firms' activities. The consumer is one of the vital stakeholders who contribute towards the success of the corporate entity. Numerous marketing researchers have studied the consumer preference for those firms which are socially responsible and accept the broader social values of society.<sup>8,13</sup> These studies have mostly tested the positive influences of CSR on the consumer's experiences and purchase intentions.<sup>14–16</sup> Pradhan<sup>17</sup> conducted a study on Indian consumers by analysing their perceptions about the responsible practices of the company. The study used the exploratory approach by interviewing 60 respondents. The study found that most of the consumers believed that it is the responsibility of corporate entities to give back to society. Rahim, Jalaludin, and Tajuddin<sup>18</sup> studied the role of CSR in the purchasing decision of Malaysian consumers. The CSR was operationalized by Carroll's definition of CSR. The result showed that CSR has a significant and positive impact on the purchasing decision of Malaysian consumers. Marin et al.<sup>19</sup> studied the influence of CSR on loyalty by using the sample of real consumers. Results show that CSR initiatives have a positive influence on consumer loyalty, as consumers develop brand identity and positive evaluation of the CSR companies. Brown and Dacin<sup>7</sup> have attention-grabbing results, which confirmed that companies with negative CSR links and companies with positive CSR links could have unfavourable consequences on product evaluation and augmented product evaluation, respectively. Creyer and Ross<sup>6</sup> finding suggests that while making purchases, consumers hold ethical behaviour as a foremost criterion. The extant literature suggests that socially responsible operations have an important influence on the choice and response of consumers. The consumer response can take different shades, but this study will focus on three constructs; intended loyalty, purchase intention, and consumer trust. These three constructs have high recognition in different studies and relatively strong generality. Therefore, based on the existing researches, the authors propose the following hypotheses.

### Consumer Intended Loyalty and Actual Buying Behaviour

Creating value for the customer plays an important

role in the satisfaction and repurchasing of the product from a particular company. Apart from satisfaction, it creates loyalty in the customer towards a certain brand and product. Oliver<sup>20</sup> defines loyalty as “A deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts are having the potential to cause switching behaviour.” Customer loyalty is one of the important factors for the endurance and expansion of the corporate entity.<sup>21</sup> Researchers have observed that responsible firms have more customer loyalty and satisfaction.<sup>22</sup> The study by Klein and Dawar<sup>23</sup> has found that CSR has a positive effect on the customer’s intended loyalty since it helps customers in evaluating the merits of the product.

Drawing on the “social identity theory,” Marin et al.<sup>19</sup> worked on the model to check the influence of CSR on consumer loyalty. The study asserts that CSR has a positive impact on consumer loyalty, given that it develops a positive evaluation of the company, and consumers usually associate themselves with the particular company. Vlachos<sup>24</sup> in his study found that customers feel satisfied while purchasing products from the socially responsible firm and promotes consumers’ intended loyalty. In the Indian context, CSR studies have less focused on the association between consumer intended loyalty and the actual buying behaviour in India. So CSR effect on intended loyalty is formulated as follows:

**H1:** There is a significant positive relationship between consumers’ intended loyalty (related to products made by socially responsible firms) and the actual buying behaviour.

### **Consumer Purchase Intention and Actual Buying Behaviour**

Purchase intention refers to the willingness and desire of the customer to buy the product from a particular company. The purchase intention of consumers depends on the complex set of factors that reinforce the consumers to purchase the particular product or services. The study conducted by Groza et al.<sup>25</sup> found that CSR has a positive impact on purchase intention and also shapes the attitude regarding the corporate entity. The study by Gatti et al.<sup>26</sup> suggests that perceived quality and CSR provides a competitive advantage to the company by influencing purchase intentions. Bhattacharya and Sen (2001) observed that CSR has a complicated relationship with consumer purchase intention.

It has been observed in the previous studies that CSR has an important role in shaping the consumer’s purchase intention and building trust among consumers. Therefore, CSR is strategically important for a corporate entity, and engagement in CSR domains that are relevant for their customers may experience more consumer support in terms of purchasing behaviour.<sup>7,27</sup> The study tests this hypothesis in the Indian context, hence we propose:

**H2:** There is a significant positive relationship between consumers’ purchase intention (related to products made by socially responsible firms) and the actual buying behaviour.

### **Consumer Trust and Actual Buying Behaviour**

Consumer trust is understood as “consumer expectations of the company that as a sponsor of CSR activities are fulfilling their promises with honesty, integrity and nonopportunistic motives” (Blomqvist, 1997). Trust is one of the important values in the corporate sector, which fosters long-term relationships with the customers and induces buying behaviour in the consumer. Swaan and Chumpitaz<sup>28</sup> argue that CSR is regarded as a signal of trustworthiness and honesty, which promotes the contentment and welfare of the consumer. Trust is based on the beliefs, feelings, and expectations towards the company, which is the outcome of the company’s reputations, integrity, honesty, and community engagements. Pivato et al. <sup>29</sup> found that trust is crucial in today’s competitive market. They further assert that consumer trust towards the company is one of the important outcomes of the company’s social performance. Likewise, the study by Choi and La<sup>30</sup> in the context of the USA found that perceived CSR has a significant impact on customer trust and loyalty. Hence, we propose that CSR has a positive impact on customer trust. Therefore, we hypothesize that:

**H3:** There is a significant positive relationship between consumers’ trust (related to products made by socially responsible firms) and the actual buying behaviour.

### **Corporate Social Responsibility: India**

Formal CSR has been a recent phenomenon in India but corporate giving is as old as the Indian civilization. India’s ancient wisdom clubbed with cultural ethos has a profound influence on the corporate sectors and how it conceptualizes the business-society relationship (Maqbool & Zameer, 2018).<sup>31</sup> In the past, Indian businessmen were



helping the general populace in times of distress and famine. They would open godowns and distribute free goods whenever people face any natural problem (Maqbool, Rasool, & Busru, 2018).<sup>32</sup> During the colonial period, Indian businessmen were at the forefront to contribute towards social development in the form of "trusteeship" propounded by Mahatma Gandhi. In 1991, with the liberalization of the Indian economy, corporate entities were invigorated by western corporate standards. The philanthropic CSR was replaced by a multi-stakeholders' approach (Ghosh, 2014). CSR has evolved significantly over the last few years and is now witnessing unprecedented interest and investments across the value chain. In the recent past, the Indian state has taken noteworthy decisions to drive companies to invest more in CSR activities. In 2007, then the prime minister of India, Dr Manmohan Singh, released the ten-point social charter, which called Indian companies to share benefits with the less privileged community and takes responsibility in nation-building. This was closely followed by the corporate week 2009, which laid down six principles to advance CSR in India. In 2012, SEBI directed the top hundred to communicate the CSR activities carried by the company alongside their annual report. In 2013, the Indian parliament took a landmark decision to make CSR mandatory. Section 135 of Companies Act, 2013, makes "CSR mandatory for all those companies which have an annual turnover of ₹1,000 crores (10 billion) or more, or a net worth of ₹500 crores (5 billion) or more, or a net profit of ₹5 crores (50 million) or more". Under the clause, "companies need to invest at least 2% of their average profit in the last three years". The major areas for CSR interventions are as follows: "poverty-alleviation programmes including livelihood and skill training, healthcare, nutrition, water and sanitation, education and sports, ecology and environment, programmes specifically designed to address the needs of women, disabled and aged people, and marginalized groups of society for overall rural development". CSR literature is growing in Indian as well as the practices, and it has become an important research area in Indian academia. The research has mostly focused on the impact of CSR on financial performance without its nuanced understanding from the micro-level. It is worth studying how CSR helps foster a relationship with different stakeholders. This study will focus on the consumers and how CSR develops customer trust, consumer loyalty, and purchase intention, and their impact on actual buying behaviour.

## Research Methodology

### *Sample and Data Collection*

The main aim of this research work is to understand the relationship between CSR and actual buying behaviour. The sample for this study comprises of Management students of Aligarh Muslim University. They are selected for this survey because they are taught this subject and understand this concept more profoundly. In developing countries, like India, CSR awareness and understanding is limited, and we often face awareness bias. This made it possible to gather information from customers with enough knowledge and awareness of CSR. This study is descriptive and a structured questionnaire has been used to collect the required information. The questionnaire has been one of the important media in behavioural science, through which we collect information. To collect information from the target population, a convenience sampling technique was used. The data were collected between February 2019 and May 2019, and responses from 378 consumers were taken. After due scrutiny, 350 questionnaires were found useable and appropriate for the study, making the response rate 92 per cent of all respondents.

The statistical tools such as descriptive statistics and linear regression were used to test the relationship. Data analysis was done with the help of SPSS 20.

## Measures

The survey instrument was developed based on an extensive review of the literature and studied definitions. The measurement scale was a structured questionnaire consisting of 28 items, categorized into two sections. In the first section, four statements were used to gather the demographic information of the respondents, such as age, gender, marital status, and education qualification. In the second section, 24 items were used to gather the information related to consumers' intended loyalty due to CSR, consumers' purchase intention due to CSR, consumers' trust due to CSR, and actual buying behaviour. The items for this study have been taken from previous studies on the subject and were adjusted according to the requirement of the study. Consumers' trust was measured by seven items and were adopted from the scale used in the study of Swaen and Chumpitaz.<sup>28</sup> Consumer's purchase intention was measured by six items and have been adopted from the study of Maignan.<sup>16</sup> The intended loyalty of CSR companies was measured by six items taken from the study of Ballester and Aleman.<sup>33</sup> Finally, actual buying behaviour was measured by five items, and they

were taken from the study conducted by Sen and Bhattacharya.<sup>34</sup> Five-point Likert scaled questions were used in the questionnaire to assess all the variables; since this study is descriptive, it is easy to use scaled questions to display more consistent outcomes from the data. Respondents were asked to select from the following options 1 = Strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly agree. Before the final data collection, we checked for the face validity of the questionnaire. A two-step qualitative procedure was employed before the data collection to ensure face and content validity for the measures in the questionnaire. First, the questionnaire was discussed with the academic experts, and their suggestions were incorporated. Second, the questionnaire was given to a group of consumers to check if respondents clearly understand the statements in the questionnaire.

### Conclusions and Implications

The present age is the age of information, and competition takes at diverse levels where corporate entities continuously innovate to compete and maximize the profit. The main agent in this fierce competition is a consumer. The balance between consumer expectations and core corporate performance indicators is quite challenging for the organizations. To survive in this cut-throat competition, companies need to satisfy the augmented expectations of the consumers and innovate at the operational level. This study contributes to the understanding of the role of CSR in the actual buying behaviour of customers. The findings of this research highlight that there is a positive influence of purchase intention, intended loyalty, and customers' trust developed by socially responsible firms on the actual buying behaviour. This study further highlights that intended loyalty towards a socially responsible firm is the most important factor influencing the actual buying behaviour of customers.

The current research contributes to the literature on the actual buying behaviour of consumers in India due to their purchase intention, loyalty, and trust towards products made by socially responsible firms. The study identifies intended loyalty as one of the important variables in the actual buying behaviour. This will help those companies which gauge consumers' buying behaviour to lure the consumers in the competitive market. The study provides some useful implications for the practitioner and marketing managers.

The CSR initiatives have a strategic intent, which creates loyalty among customers and enhances the

market share of the company. These intangible assets allow managers to move away from conventional marketing mix and enhance consumers' beliefs regarding their ability to deliver superior functional benefits through their products. The marketing mix with corporate-level intangible assets, such as reputation, trust, and loyalty encompasses different customers' expectations and hence garners a sustainable competitive advantage. The consumer gives importance to the CSR along with price; therefore, organizations should focus on their socially responsible behaviour in order to tap its major customer markets. Further, these results have provided justifications to the Indian managers that a considerable amount should be dedicated to CSR activities to create product differentiation among customers. Consumers treat CSR as one of the deciding factors while buying any product or service. So, corporate managers should not take CSR as an optional activity but having a strategic influence on consumers. A company that provides benefits to stakeholders (e.g., customers) through their various CSR activities will be perceived as a company that is both able and interested in caring for their consumers. The components of CSR should be taken into account as other core issues of the company strategy. When CSR is tightly integrated into the management operations, both economic and social targets become easier resulting in improvement in the social and financial performance of the company.

### Limitations and Scope for the Future Research

The results of this study should be interpreted in the context of some limitations. First, this study does not make any distinction based on the consumer. This study has culminated all consumers into one category and generalized the results. Future studies should make some distinction based on consumers, such as industry-specific and product-specific, to study this relationship. Second, this study was conducted in India. The generalizations of findings need to be done cautiously since culture, economic condition, and industrial norms may vary from one country to another. Therefore, future studies are invited to replicate the research findings against other nations or more differentiated populations. Future research can also extend this research to other consumers who do not share the same educational background. Students from other streams may have varying effects on the consumers' actual buying behaviour.

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## THE RELEVANCE OF ENVIRONMENTAL STUDIES NOWADAYS

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**Abstract:** *This paper aims to explore the present environmental problems that Earth is facing and the ways and instruments that environmental studies provide for humans in their fight against climate change. The current state of our planet is so severe that it requires drastic measures and environmentalism is the proper way to deal with these problems. During the second half of the last century and even nowadays, environmental studies has constantly developed and currently represents one of the most productive and prominent field of research. This study initiates from the following research question: "Is environmental studies still relevant today?". In the pursuit to answer this fundamental interrogation will be used an interdisciplinary set of methods and instruments: the comparative method, ecocriticism, spatial studies etc.*

**KEYWORDS:** *Anthropocene, climate change, ecocriticism, environment, symbiocene.*

### Introduction: A diachronic perspective on environmental studies

Since the beginning of the XX century, numerous acts regarding different threats against nature have been enacted by governments worldwide on the basis of the data provided by scientists. Environmental studies represents an interdisciplinary field that focuses on the relationship between humans and the environment. Its interdisciplinarity consists in using concepts, ideas and methods pertaining to different research fields (humanities, economics, physical sciences and social sciences) in the study of the interaction of humans with the environment. There are many academic programs in environmental studies worldwide, the first one was established in the 1950s at the University of Syracuse, the USA.

Environmental studies is a wide field that consists of many other subdivisions such as environmental education, environmental communication, environmental ethics, environmental geography, environmental humanities, environmental social

science etc.

Kaushik emphasizes the cruciality of this field of research and action and states that "environmental studies is very important since it deals with the most mundane issues like safe and clean drinking water, hygienic living conditions, clean and fresh air, fertile land, healthy food and development that is sustainable" (Kaushik&Kaushik 2004: 2), thus, environmental studies is a domain of paramount importance for the entire humanity.

The emergence of environmental studies was due to the degradation of nature caused by humankind. Thus, this field of science "teaches people to understand their role in the environment and learn to live with the limited natural resources so as to avoid future disasters" (Basak 2009: 1). It seems that only a small part of humanity applies the advice given by the specialists in environmental studies taking into account the negative evolution of our planet. Although there is available a significant data amount regarding the threats that humans generated

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against the planet, the majority of people prefer to indulge in the same polluting lifestyle without paying attention to the consequences of their activity on the entire world.

The interdisciplinarity and complexity of environmental social sciences represent the core characteristics that led to the rapid development of this field and they also caused efficient dissemination of data regarding ecological issues, as Emilio Moran summed up in *Environmental Social Science: Human-Environment Interactions and Sustainability*:

“During the past decade there has been rapid development of research on the human dimensions of global environmental change. This growth has been a result of several factors. Evidence for climate change, loss of their biodiversity, rapid deforestation in the tropics, and the impending crisis in availability of potable water have made scholars and policymakers aware of the need to address the causes and consequences of these global processes. Moreover, it is widely recognized that these cumulative processes vary in their severity from region to region, and from place to place. In order to understand these processes, research for the past decade has supported the breakdown of traditional disciplinary boundaries in order to understand in a more systematic fashion the complexities of the current human-environment nexus. While interdisciplinary research is nothing new, there has been considerable progress in identifying some of the dimensions that speak to these contemporary environmental problems” (Moran 2010: 1).

After the emergence of environmental studies, during its development, new subdivisions arose and one of the last sub-fields is environmental humanities, which tries to fill in some gaps between environmental social sciences and other sectors such as environmental geography, chemistry, technology etc. This relatively new domain originated in the departments of American Studies and English Literature in universities, due to scholars' interests in the representations of human and non-human representations in literature, on the one hand, and the curiosity to explore the ways and means that could be used by writers to raise environmental awareness regarding climate change. Many scholars use the concept “public awareness” in environmental studies but we consider as proper the phrase “environmental awareness”, which is more specific and clearly indicates the orientation of consciousness towards the acute problems that the whole world is facing.

Another relatively new subdivision of environmental studies is ecopsychology, which studies the

relationships between human psychology and the environment, the intricate repercussions of the environmental problems on the human mind and soul. Andy Fisher noticed that:

“In offering definitions of ecopsychology, most of the people presently developing this field do indeed say something along the lines of Searles. They talk about synthesizing ecology and psychology, placing human psychology in an ecological context and mending the divisions between mind and nature, humans and earth” (Fisher 2013: 3).

Environmentalism does not address only to governments, scholars and common people or consumers, but it also regards entrepreneurs and businessmen, requiring environmental management, social responsibility and corporate sustainability, as Mark Anthony Camilleri stated in the Preface to *Corporate Sustainability, Social Responsibility and Environmental Management: An Introduction to Theory and Practice with Case Studies*:

“Responsible behaviours are increasingly being embedded into new business models and strategies that are designed to meet environmental, societal, and governance deficits. Therefore, the notions of Corporate Sustainability, Social Responsibility, and Environmental Management have become very popular among academia as corporations are moving beyond transparency, business ethics, and stakeholder engagement” (Camilleri 2017: xi).

Thus, environmental studies covers all the aspects of human life in relation to the environment (either natural or artificial) and aims to improve both people's existence and nature through research, study, action and cooperation. This is a research field created not only for the benefit of humans but also for the aim to preserve biodiversity through the mitigation of climate change.

## 2. Post-Anthropocene or Symbiocene?

Currently, humanity is living in the Anthropocene era, a historical epoch shaped and designated by humans, but what will be the name and the characteristics of the next geological period?

Some scholars considered that a proper name for the following historical era should be the Post-Anthropocene, “a new age of nonhuman actors where it is technology and artificial intelligence that now compute, condition, and construct our world” (Young 2019: 11). Andrew Glikson named the ongoing geological era the Plutocene, because of the high level of Plutonium expelled on Earth during some human activities:

“In the wake of the late Anthropocene, the Plutocene was born on July 16, 1945 with the Trinity test and following tests. The Plutocene is coined after the element Plutonium as Pudecaying to U over a half-life of 24,100 years, defining the life-span of the Plutocene. During the Plutocene the biosphere is dominated by elevated temperatures, analogous to the Pliocene (2.6 – 5.3 Ma ago) or the Miocene (~5.3 – 2.3 Ma ago) when mean global temperatures were approximately 2-4 degrees Celsius warmer than pre-industrial temperatures, acid oceans and sea levels were approximately 20 to 40 metres higher than the Late Holocene pre-industrial levels, atmospheric CO<sub>2</sub> residence time in the order of 103 104 years delay the subsequent glacial cycle by perhaps ~50,000 years. Depending on the extent of nuclear conflicts in the Late Anthropocene, during the Plutocene high levels of radioactivity may constrain biological activity to radiation-resistant species” (Glikson 2017: 3-4).

Thus, humans are stuck in the Plutocene and some scholars predict a new epoch of nonhumans, the Post-Anthropocene, but there is another solution available: the Symbiocene. There are no exact delimitations between the geological eras, they usually overlap during transitory periods. Coined by Glenn A. Albrecht, the Symbiocene should be characterised by mutual benefit, a general symbiosis at the planetary level:

“In the Symbiocene, human action, culture, and enterprise will be exemplified by those cumulative types of relationships and attributes nurtured by humans that enhance mutual interdependence and mutual benefit for all living beings (which is desirable), all species (essential), and the health of all ecosystems (mandatory). Human development will consist of creative actions that use the very best of biomimicry together with other eco-industrial, eco-technological, eco-agricultural, and eco-cultural innovations” (Albrecht 2016: 14).

A turn towards the Symbiocene could be possible only if people worldwide would thoroughly become aware of the harmful effect of their daily activities on the environment and take rapid measures to stop it in order to save themselves and the entire planet through compassionate and eco-friendly actions. Therefore, the fate of humanity and all the other sentient beings is totally in humans’ hands. It is our decision to shift to the Symbiocene or to proceed towards the Post-Anthropocene.

### 3. Ecopsychology and eco-emotions

Like any other major phenomenon, climate change has an important psychological effect on humans as

well. The ecological crisis causes extreme emotions in people, either a significant attachment to nature or paroxysmal fear which leads to anger and violence (towards oneself or others). The issues regarding the interaction between human consciousness and the environment are dealt with by a relatively new field of research: ecopsychology. Fernando Castrillón considers that:

“a precise description of ecopsychology is nearly impossible to produce as it encompasses a wide range of elements and domains. Additionally, it is difficult to mark a clear boundary between ecopsychology and environmental or ecological thought more generally. A useful way of defining the field, then, would note that it is a meld of psychological and ecological sensibilities, and includes practices such as eco-therapy, nature-oriented awareness praxes, earth-sustaining work, philosophical inquiry, art, and ritual. A common area of ecopsychological study focuses on the relationship, both ‘proper’ and ‘improper’, between humans and the rest of nature” (Castrillón 2014: 1).

Some ecopsychological views have emerged since ancient times as people have always questioned the nature of their relation to the environment. But this research in the depth of the intricate relationship is nowadays becoming more profound and systematic. People are currently inquiring about the causes, the consequences, and the solutions to numerous environmental issues they are facing. Ecopsychology tries to answer some of the humans’ questions regarding the actual state of the planet through their own inner activity.

This is a relatively new field of research, and it “developed explicitly in the 1990s with the work of Theodore Roszak, Mary Gomes, Allen Kanner, and Robert Greenway” (Davis 2014: 50). The main objective of ecopsychology is to promote the phenomenological and sensorial connections between humans and their environment by emphasizing the positive or constructive emotions in spite of the negative ones. Elizabeth Kals and Markus M. Müller consider that the classification of human emotions as positive and negative is unclear as there could be some good and bad aspects in all of them, and suggest another taxonomy:

“Therefore, we propose a general framework of emotion clusters that closely belong together with regard to theoretical model building and their specific impact on environmental behavior. This leads to four categories or clusters, some with sub-groups: (1) emotional burdens and worries; (2) emotions associated with environmentally relevant

behavior; (3) emotional attachment to nature; and (4) moral emotions” (Kals& Müller 2012: 11).

The complex process of climate change through its devastating manifestations is constantly generating eco-emotions or climate-related emotions. Severe droughts, snowstorms in summer, unprecedented tornadoes in some parts of Europe, the problems some sentient beings are facing, and many other environmental issues have a negative impact on humans’ minds and consciousness causing serious psychological disorders. One of the main eco-emotions that people are dealing with these days is eco-anxiety which can lead to depression and suicide.

Environmental education and ecopsychology collaborate to design efficient curricula for reducing and eradicating such negative emotions, especially among students. Giuliano Reis and Wolff-Michael Roth, in their paper *A Feeling for the Environment: Emotion Talk in/for the Pedagogy of Public Environmental Education*, drew the following conclusion regarding the efficiency of the formal education system and environmental education in rising environmental awareness:

“Although the formal education system is still considered an adequate venue for promoting a shift in our relationship with nature, it has so far proven to be less than effective in fostering environmental stewardship on its own. In this scenario, public environmental education is now advocated as an alternative solution to raise ecological awareness and help ameliorate the ecological problems of our days” (Reis and Roth 2010: 84).

Therefore, it is of paramount importance to identify the negative eco-emotions and take countermeasures in order to maintain a psychological balance.

#### **4. Is environmental studies relevant nowadays?**

The core research question of the present paper is related to the significance of environmental studies as a highly regarded field: “Is environmental studies a relevant research field nowadays?”. The answer to this interrogation is definitely affirmative taking into account the emergency state that our planet is currently facing. There are numerous natural disasters all over the world, some obvious occurrences of climate change which were not so severe until now. The north-western part of Canada has been hit by a heatwave which caused extreme temperature for that region: 49.6 degrees Celsius, at the end of June 2021. In Europe, tornadoes are increasing in number year after year; a deadly

tornado devastated some villages in South Moravia, the Czech Republic, on June 24, 2021, killing five people and injuring about 150 others. In the southern part of Madagascar people are facing starvation because of unprecedented droughts, and these are only a few examples of extreme consequences that people deal with due to climate change.

Thus, environmental studies is one of the most relevant fields of research these days due to the paramount importance of its findings. The fundamental objective of all the environmental sciences is to foster and increase environmental awareness. Environmental education is the conveyor of the other subdivisions’ findings, trying to promote a positive attitude towards nature among students. The cruciality of environmental education lies in its role in nurturing a carrying future generation, as the Dalai Lama emphasized in his recent book *Our Only Home: A Climate Appeal to the World*:

“Environmental education about the consequences of the destruction of our ecosystem and the dramatic decrease in biodiversity must be given top priority. But creating awareness is not sufficient; we must find ways to bring about changes in the way we live. I call on the younger generation: be rebels in demanding climate protection and climate justice because it is your future that is at stake. I am encouraged to see young people’s determination to bring about positive change. They are confident of making a difference, because their efforts are based on evidence and reason” (Dalai Lama & Alt 2020).

Furthermore, if people do not pay attention to the outputs of environmental studies and do not implement them in daily life, the entire effort of environmentalists is futile. Scholars and researchers spend their time and energy to find ways and means for the mitigation of climate change, so, the rest of the society must use properly their findings and join their efforts to achieve a better world for themselves and future generations. Thus, a collaboration between environmental researchers and society is crucial for successful actions against climate change.

Unfortunately, there is still a huge portion of humanity that has no access to the information circulated by environmental sciences or to proper education, and they simply neglect their duty to protect our planet. Therefore, environmental education should be integrated into the curricula of schools and university worldwide, especially in those countries which are facing drastic environmental issues.



## Conclusion

A relatively new field of research, environmental studies has rapidly developed and became one of the most relevant scientific domains. The interdisciplinarity and transdisciplinarity of environmental sciences represent the key characteristics that prove the validity of their findings. Its complexity also relies on the plethora of new concepts and approaches to nature and climate change, environmentalists have proposed different theories regarding the geological evolution of our planet as well, and the idea of an era in which humans are aware of and promote the interdependence among all sentient beings on Earth (a geological epoch entitled Symbiocene by Glenn A. Albrecht) is very appealing and also the best choice that humankind has. Therefore, environmental studies currently represents one of the most relevant research fields due to its importance in fostering environmental awareness.

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# ROLE OF INSURANCE FOR SMES IN TIMES OF COVID 19

Gagandeep Kaur\*

**Abstract:** *Coronavirus has a very disruptive effect on every aspect of life. No single field is there which is left uninterrupted. From the loss of lives to an unstable economy every phase has been seen by every country in the world. From large business houses to small businesses everyone has faced the same trauma. SME sector also faced a severe effect on its running. The biggest outcome for SMEs is that SMEs have learned the value of insurance in this hostile time. India's non-life insurance penetration is fewer than 1% of GDP as compared to the world's insurance penetration close to 3%. With the aid of the right kind of insurance protection, one can protect their business from uncertainty. SMEs are highly dependent on third parties for their supply chain. Thus, any kind of intermission or financial risk related to the third parties can pose a threat to SME's businesses. Along with these, the risk of natural calamity like flood, earthquake, fire, etc can disrupt any establishment. Thus, insurance is the answer to any kind of unobserved event in business. As the economy needs SMEs for its development similarly insurance cover is needed for the protection of SMEs.*

*Small and medium-sized tourism and hospitality enterprises (SMEs) are often susceptible to various hazards, which result in risk concerns. Insurance is best recognized for protecting such kinds of risks that threaten the survival of MSME.*

**KEYWORDS:** *SMEs, Insurance, insurance cover, risks*

## Introduction

Small and medium-sized enterprises (SMEs) have been recognized and often referred to as the 'lifeblood' and 'economic muscle' of most countries because of their significance in supporting economic growth and livelihood through job creation (OECD, 2017).

India has a large number of established MSMEs and some MSMEs, who are in the process of starting their units. Micro-, Small and Medium Enterprises (MSMEs) are recognized worldwide for their important contribution in sustainable development, economic growth, creation of employment, provision of goods and services, as well as poverty reduction and reducing inequality.

Day by day MSME's contribution is increasing in India's GDP as well as in producing goods and services. Approximate 40% of GDP and 180 million jobs are created by MSMEs. As a nation's goal is to make its economy worth a 5 trillion economy, for this MSME will play a vital role. As MSME's contribution towards employment, GDP and production are worth noticing so it is necessary to take steps to make MSME's more protected. The only protection providing agency to cover unseen risks is Insurance. Insurance is the only answer to protect MSME from unseen risks and uncertain future.

COVID 19 has posed a huge challenge for MSME in achieving its goal as well as in its contribution

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to INDIA's GDP. Financial crunch is the main problem faced by every enterprise during the COVID times. Enterprises don't have money to pay their employees as well as meet their day-to-day requirements. Insurance manages, spreads, and grips the risks of individuals and companies. Insurance is often a major necessity for the development of production activities. So, there is the utmost need for Insurance in the life of SMEs. Insurance covers the unprecedented financial risks faced by enterprises. Thus, it is important to protect these units from risks and revive the units that have been dragged down in COVID 19.

The overall impact of insurance is to maintain consumption patterns and contribute more widely to financial and social stability. This stabilizing factor is provided by the insurance companies by investing in long-term projects of production houses. Insurance has a great impact on the global economy, as it protects businesses' houses from sudden shocks. It provides easier access to credit, channeling savings into long-term investments and providing greater transparency and liquidity to the markets, thus providing further growth to the economy

How insurance contributes to society and economic growth can be summed up as follows:

- it promotes financial stability
- it encourages loss of moderation
- it facilitates trade and commerce by supporting businesses and economic growth
- it captures domestic savings
- it helps in the development of financial services

Insurance has a key role in business and supply chain risk management. Insurance is an important source of indemnification as it mitigates losses arising from various types of risks. Insurance can play a significant role in vindicating risks faced by micro, small, medium enterprises (MSMEs) by smoothening consumption, absorbing shocks, and managing risks associated with irregular income.

### Objectives Of The Study:

The main objective of the study is:

1. To examine the main factors that affect the growth of SMEs.
2. To evaluate the contribution of insurance companies to the growth of SMEs.
3. To determine the areas which needed to be taken care by insurance companies for healthy growth of SMEs

### Literature Review

Bannock and Albach,(2000) SMEs are considered main factor for growth in both developed and developing countries. SMEs have the potential to play a critical role in supporting equity growth across the economy.

Harvie and Lee (2001) The benefit of a strong SME sector is that it helps in the generation of employment opportunities, maintaining the supply chain, and promotion of innovation.

Moy and Lee (2002) To sustain an economy needs to be supported by its SMEs because large-scale enterprises might have negative as well as positive effects on the stability of the country.

Griffiths (2002) Firm performance is a multi-dimensional concept; it may be financial or non-financial. Since the vast majority of SMEs are unable or unwilling to provide financial information, only perceived firm performance will be measured.

Cressy and Olofsson (2002) find that smaller businesses are financially riskier than large business houses with relation to their capital structure.

Olsen (2005) The organization needs to have sufficient funds and enough time to support the implementation process. True costs include realistic time commitment from staff to achieve the defined goal, a clear documentation of expenses associated with activity helps in utilising funds efficiently

Delmar (2003) argued that innovation is a tool of SMEs. SMEs embrace continuous innovation in every aspect of an enterprise which includes: innovation in the production systems, distribution channels, and human resource management among others. Once the various innovations are integrated, the result will be a satisfied customer.

Wanjohi and Muger (2008) Lack of access to finances for small enterprises force them to rely on high-cost short-term finance from relatives and friends. The main motive behind these schemes among a good number of entrepreneurs is mainly to check various alternatives and availing low-interest rates credit and make profits.

Kinyua (2014) research is on factors that affect the performance of small and medium enterprises in the Jua Kali Sector in Nakuru town, Kenya with objectives to investigate the role of finance, management skills, and infrastructure on the performance of small and medium-sized enterprises. The findings indicated; that access to finance had the potential to certainly impact the performance of SMEs.

Haleem (2020) states in his research that COVID-19

has rapidly affected our day-to-day life, businesses, disrupted world trade and movements. Identification of the disease at an initial stage is vital to control the spread of the virus because it very rapidly spreads from person to person. This virus creates a huge impact on the life of citizens, as well as on the economy.

Chaudhary et al (2020) state that the current downturn seems primarily different from recessions of the past which had jolted the country's economic order. Whereas the nations, conglomerates, corporations, and multinationals continue to understand the magnitude of the pandemic, it is undoubtedly the need of the hour to prepare for a future that is sustainable, structurally more viable for living and working.

Aggarwal et al (2020) that we must ensure and make the best of our efforts that this black phase of life should never happen again. Humankind has never taken teachings and evidence from history. Let's hope for a healthier, harmless, affluent, and, of course, maintainable future ahead.

Dev et al (2020) Given the large size of the population, the precarious situation of the economy, especially of the financial sector in the pre-Covid-19 period, and the economy's dependency on informal labour, lockdowns, and other social distancing measures are turning out to be hugely disorderly. Both central and state governments have documented the challenge and have responded.

### Research Methodology:

This part equips us with the research methodology used in this study. Data used in this research is secondary data. The data is collected through various newspapers, e-books magazines, and websites for this study. This study focuses on descriptive research design.

### Major Factors That Affect The Growth of Smes:

The business sector is growing day by day. There are some external as well as internal factors that affect the functioning of the business. The factors that contribute to the growth of SMEs are:

- **Innovation:** Due to the continuous development of technology, the market is changing every day. Due to continuous innovation, there is a need to cope up with the changeable market, which is crucial for their firms to grow quickly. Innovation means new or improved products, new production techniques, new processes,

new markets, new channels of distribution and promotions, new or improved services, new methods of financing, new technologies, new organizational structure, and new method management. All these things result in more comparative advantage and they appear to be strong pragmatic evidence that fast-growing SMEs are more innovative than non-entrepreneurs. SMEs can view their long-term growth by facilitating innovation.

- **Management skills and actions:** SMEs can be run efficiently if the persons who run management have good management skills. Effective management skills in SMEs are recognized as an important solution worldwide. there is a positive correlation between the degree of management training and the performance of SMEs.
- **Market condition:** The market condition is an important factor that determines the growth of SMEs. Market condition refers to the conditions associated with the dynamic market like rate of interest, customers, suppliers, intermediaries as well as competitors constitute the uncontrollable market condition. So having control over that can contribute to the success of SMEs. But due to dynamic market conditions risks have been increased for SMEs.
- **Competition:** competition is the crucial factor that affects the functioning of any business enterprise. With the concept of globalization, competition has increased to a new level. Now any industry is not only confined to competition from national business houses but also poses threat from international ones. So, to compete it must be dynamic and progressive
- **Lack of credit:** Generally, SMEs rely on loans for meeting their credit requirements. It is harder to access debt financing as it is a costly option for raising debt. SMEs generally avail of banking loans to meet credit requirements. Even SMEs don't know the various viable options available to them. So lack of credit access on large scale also poses a threat to the development of SMEs. No proper source of finance drags down the growth of SMEs
- **Technological Change:** day by day technology changes. No business can stick down to one method in this technology-oriented era. If a business doesn't change its technology as per the changing time it will become necessary for him to close down his business. So, for

the success of business technology plays an important role. With globalization companies need to not take care of technology used by their national competitor but also by international competitors.

**Contribution of Insurance Companies to The Growth of Smes:**

SME is a business that is owned and operated with a small number of employees and a moderate volume of sales. The definition of SMEs changes from place to place depending on the level of development of the economy. On the other hand, insurance is a contract under which one party insures the other party to secure it from pecuniary loss. There are two parties in the contract one is insured and another insurer. An insured is a person who pays the premium and gets protection from risks and an Insurer is a person who provides protection against risks. Day by day our economy is progressing so there is a need to develop all the sectors that contribute to its development. One of the most important sectors is SMEs. There is a need to make an effort to protect these units from various types of risks. If these are protected from risks then they can contribute to the economy otherwise not.

**Positive contribution:**

- The main contribution of insurance is mitigating the risks of SMEs. SMEs face many risks in conducting their business so there is a need to control it. Insurance provides coverage from these risks by protecting SMEs from all the risks associated with it. Due to COVID 19, many employees have lost their lives. So to cover this risk there is a need for health insurance for employees.
- SMEs buy insurance products to transfer their risks from themselves to the insurance company so that their main focus will be on its business rather than on focusing on reducing risks.
- Insurance services help financial institution to serve as a common benchmark in credit analysis and lending by assessing the creditworthiness and integrity of SMEs. A reputed insurance company conducts mandatory checks for its business houses to assess the credentials of the SMEs before extending a product thus enabling SMEs to get financial help from the financial institution
- Insurance companies also act as a source of funds to small businesses most especially real

estate ventures. The SME owners can go directly to the insurance company or contact its agent or a mortgage banker for the resources

- insurance companies for example Jubilee insurance advise small businesses concerning the introduction and control systems and new products. It also supports the businesses in terms of risk analysis and well-targeted training of the staff SMEs need not establish huge contingency funds to protect against the risks they face. Without insurance, the potential losses due to capital destruction must be met by a SMEs own internal funds. As a result, a bigger portion of the company’s profits will have to be retained in the business instead of being distributed to its owners

**Areas That Needed to be Taken Care:**

- The major concern is that the penetration of insurance companies is low. insurance company practices and their impact on firm practices are still low. the available knowledge on insurance is less and fragmented. Insurance companies cater to only some specific insurance needs of SMEs which is not realistic.
- It is prudent for insurance companies to formulate less costly ways of insuring SMEs against various types of risks they face.
- There is a need for insurance companies to build a relationship with SMEs as their customers. The success of a business relationship lies in the development and the growth of products that are needed by business houses.
- In an era of globalization, insurance companies need to develop their strategies based on the advancement of the e-commerce era. Insurance companies need to invest in increasing their technical support as some SMEs might prefer to conduct business over the internet.

**Conclusion**

From above this, it may be concluded that SMEs are vital for the development of the economy, and for the proper running of SMEs there is a need to protect them from uncertain risks. Risks can be protected if SMEs take proper insurance coverage. Insurance provides a number of valuable economic functions that are different from other types of financial intermediaries. There is no hesitation in saying that the Indian economy is passing through tough times so there is a need to protect it. Insurance sector if properly managed can have a very positive

impact on India 's economic development. This sector is progressively snowballing its contribution to the country 's GDP. In addition to this, insurance is lashing the infrastructure sector by increasing investments every year. Further, insurance has improved the employment ratio in India by providing direct as well as indirect employment opportunities. The insurance sector also generates long-term capital for building infrastructure projects that have a long gestation period. Insurance allows SMEs to run their business without having to worry about unforeseen events that can slow down their business. A well-developed insurance sector is needed for economic development as it provides funds for long-term usage and simultaneously strengthens the SMEs by protecting them from uncertain risks.

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# WORK FROM HOME IN COVID TIMES – BOON OR BANE?

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**Abstract:** The advent of COVID-19 has changed the way we perceive every aspect of our lives. If we especially investigate the business world, it has redefined our working styles. While this paper began as an attempt to understand the employee pulse in aviation industry during COVID times – issues faced, aid from management, further expectations from both the parties, some interesting observations were made which led to a gap due to the trend of working from home. Online platforms opened up new avenues easing work from home. In this paper we will discuss the repercussions, work from home has on the employees in terms of ease of working, advantages and disadvantages, and how HR team can strategically work with the management to enhance work from experience for employees in aviation industry in India. Preparedness for future in case of recurrence of similar pandemics would also be discussed.

**KEYWORDS:** COVID-19 pandemic, HR practices, aviation industry, new normal, next normal, work from home, management, human resources

## Introduction - the genesis of “New Normal”

COVID-19 has been the buzzword for 2020. It brought a lot of chaos and angst into our lives. Many unfortunate lives were paid ransom to this deadly virus. Emerged from Wuhan, China in December 2019, it spread like wildfire across Europe, U.S and other Asian countries in mere months. The virus predominantly spreads through droplets of saliva and affects the respiratory system, most common symptoms being cold, dry cough, pneumonia, shortness of breath and loss of taste. People exposed to these symptoms are put under mandatory quarantine – at home or at a designated COVID facility. Those diagnosed with symptoms are to be isolated at a facility or home for 10-14 days and 3 days without symptoms. On 30 Jan 2020, W.H.O. declared coronavirus as a public health emergency of international concern, the highest level of alarm (W.H.O., Timeline: WHO’s COVID-19 response, 2020). A lot of safety precautions such as use of sanitizers, masks, coughing and sneezing etiquettes, washing hands frequently, sanitizing food such as vegetables etc., were reiterated time and again so that

they reach all masses and are followed to contain the virus. While the safety measures have slowed down the virus, there were still a lot of casualties. According to the latest update from (W.H.O., WHO Coronavirus (COVID-19) Dashboard, 2021) as on 7th June 2021, there have been 173,005,553 confirmed cases and 3,727,605 deaths across the world and specifically in India, there have been 28,909,975 confirmed cases and 349,186 deaths.

The entire world went into a state of lockdown – businesses were temporarily halted or working remotely, food and resources were stocked up by citizens, curfew began whilst providing meagre hours to restock on necessities. International and national travel were restricted due to which many migrant workers were stuck homeless. There were many schemes introduced by the government such as Pradhan Mantri Gharib Kalyan Yojana (PMGKY) or Aatmanirbhar Bharat (Self-reliant India) to aid these workers. Many voluntary organisations emerged and did their part to help these workers sustain during the lockdown and reach their homes in sound health. Since the onset of lockdown on 25 March 2020 till 1st May 2020, a non-government voluntary organisation, SWAN – Stranded Workers Action Network has

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reported that 82% of the workers who reached out to them have not received any kind of support from various COVID relief funds (SWAN, 2020). This is just one of the many formal and informal organisations that stood by the community in times of need.

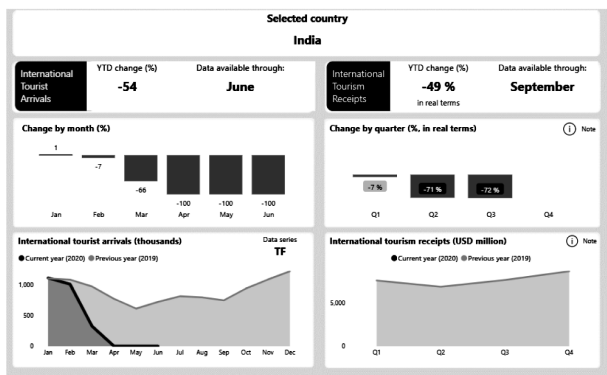
After the Ministry of Home Affairs released order to permitting inter-state travel towards the end of second phase of lockdown, there was a huge rush to travel back to their homeland. Workers resorted to travelling in lorries, cycles and there was also mass exodus of workers who set to travel on foot. On 9 May 2020, 16 people were crushed by a train in Aurangabad as they fainted on railway tracks. (SWAN, 2020). Such scarring incidents, some stated above, have changed every aspect of our lives in ways more than we can contemplate.

Despite all this, there is an upside to this – nature started healing itself. The Himalayan Dhauladar ranges could be seen from Jalandhar after 30 years due to reduced air pollution. (Thacker, 2020). There were sightings of animals prowling on the roads, sharks and dolphins on the shore without the noise of land and sea traffic across the world. These changes made us ponder on the power of the nature around us and made us question if we should slow down to co-exist with our mother nature.

### Challenges of the business world due to COVID-19

While an outline of how COVID-19 has impacted the people and nature has been painted in the above segment, let us dwell further and look its effect on the world of business. Indian economy took a massive hit, regressing years, costing millions of people their jobs. The tourism industry took a plunge of 54% in terms of the international tourist arrivals which in turn impacted the aviation industry. (UNWTO, 2020).

Figure 1: Plunge in tourism industry w.r.t international arrivals

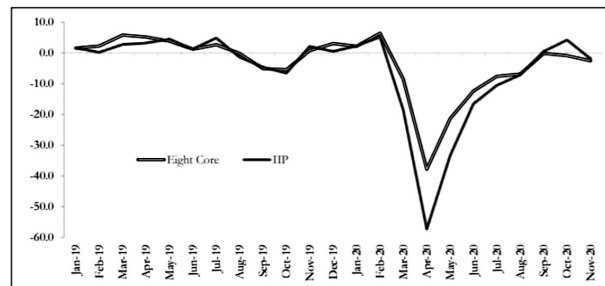


Source: (UNWTO, 2020)

The pandemic crisis has also impacted the inflow of western capital markets owing to upheavals in the stock market. As per the NSDL data, Foreign Portfolio Investors (FPIs) withdrew from India, ₹247.76 billion from equity markets and ₹140.50 billion from debt markets in a short span of 13 days, that is, from 1 to 13 of March 2020. Oil prices have hit an all-time low in 18 years in March 2020. (Chaudhary, Sodani, & Das, 2020).

According to the (Economic Survey, 2020), if we look at the 8 core industries (coal, crude oil, natural gas, refinery products, fertilizers, steel, cement, and electricity) and their Index of Industrial Production (IIP), though the industries registered very low growth in April 2020 (-37.9%), they gradually picked up (-2.6 % in November 2020) during the “Unlock” process as shown in the below figure.

Figure 2: Growth tracking of 8 core & IIP



Source: Survey calculations based on MoSPI and Office of Economic Adviser’s data/

To recuperate from the losses caused by the lockdown during the pandemic, the world sought the support of internet and online communication thereby repairing to an extent the dire state of world and national economics. Most of the small-medium scale businesses (SMBs) in Asia would have perished had it not been for digitalisation. Nearly 75% of them concurred that switching to digital platforms revived their business in a survey conducted by HP. (Money Control, 2020). Work from home has become the norm of this game. Out of the 2000 people surveyed in the US, there has been an increase from 8.2% in February 2020 to 35.2% in May 2020 in terms of the number of people working from home based on a survey conducted by (Bick, Blandin, & Mertens, 2020). A survey conducted by Lenovo for 20,262 workers across the world, showed that 74% of the respondents from India said they’d continue working from home post-pandemic. (CRN, 2020). The huge positive response towards work from home is not without its reasons. An Indian employee saves 2 hours of travel time on an average and Rs. 5520



/ month according to the survey by Awfis during June and July 2020. (Haider, 2020). Tech giants like Facebook, Twitter and Microsoft have cut down on a huge chunk of their expenses by allowing work from home that they decided to continue it after pandemic as well. (Page, 2020).

### Challenges of HR due to COVID-19

With all the upheavals in revenues across every industry it has become a gruelling task for the HR teams to strategize to keep up with the times. Primary concern is to ensure all the employees are healthy and safe. Sanitizers, multi-vitamins, PPE kits, masks have been supplied to the employees free of charge and in abundance.

Referring to the survey conducted by Lenovo for 20,262 workers across the world, 43% of the respondents suggested additional time and money need to be invested in technical training for smoother work from home. (CRN, 2020).

While productivity has increased due to the decreased travel time and those subsequently invested in working. About 27% respondents feel isolated and 23% respondents said work-life balance are the biggest challenges while working from home. (Haider, 2020). HR team needs to take specific action to neither wipe out the fading line between work-life balance nor add reasons to cause depression among their employees.

The decreased revenues have severely impacted the benefit basket offered to the employees. Many companies had to right size themselves to break-even in spite of government urging public and private enterprises to not do so. (Dhingra, 2020)

### Aviation Industry amidst COVID-19

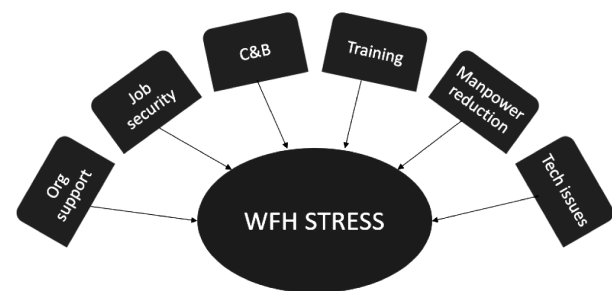
With strict curfew, decreased commercial activities and fear psychosis, the revenue of aviation industry hit a massive low (Agrawal, 2020). Indigo had net losses worth ₹2,884 crore and ₹1,194 crore in Q1 and Q2 of this fiscal respectively. Spice Jet incurred losses of ₹600 crore and ₹112 crore in Q1 and Q2, respectively. CAPA India projected in October that the Indian aviation industry will lose a combined USD 6-6.5 billion in FY21, of which airlines will account for USD 4-4.5 billion. (Mint news, COVID-19 had massive impact on Indian aviation sector in 2020, 2020). Government is planning on selling its residual stake in the already privatized Delhi, Mumbai, Bangalore and Hyderabad airports as a part of 2.5 lakh crore asset monetization pipeline. Additionally, 13 AAI airports have been identified to be privatized. (PTI, 2021)

Despite anticipated losses, aviation industry in India took a step forward and suspended all flights on 23rd March 2020. For those working abroad i.e., Indian citizens/passport holders, Overseas Citizen of India (OCI), special services namely Vandemataram flights have been initiated on 7th May 2020. Over 7.88 lakh Indians have been returns to their homeland since inception till 22nd July 2020. The flights of companies Indigo, SpiceJet, Air India group and GoAir have covered 29 countries and reached 34 airports in India. (Mint news, Vande Bharat Mission: Phase 5 to start from August 1, 2020) Passengers who travelled thus were put under institutional isolation till they are tested negative for the virus.

### Data Interpretation and Analysis

A survey was conducted across select units of the aviation industry in India during March 2021 to get insights on the major issues faced during the pandemic times, come up with recovering techniques and the expectations of the employees from the organisation. A combination of interviews and questionnaire was used to collect responses. This has given us some scintillating insights and one of the topmost priorities among them besides health care was aid while working from home. While working from home has its own advantages such as time and money saved while travelling, working at the comfort of one's home and not missing work in pandemic times, the employees tend to face certain issues in this process. To understand the exact concern, the following aspects were considered for questionnaire based on interviews conducted during pilot study.

Figure 3: Aspects affecting WFH stress



Based on responses received and some quantitative analysis techniques mentioned ahead in the paper, key actionable aspects would be identified and a framework would be developed to cope with those issues.

First quantitative technique used on the data will be correlation which is an effective tool that can be

used to understand the degree of association between two variables. This technique will now be used to correlate WFH stress and the impacting aspects mentioned in Figure 3. Correlation was run on SPSS to understand the most relevant of these aspects and the following were the results –

**Table 1:** Correlation between WFH stress , Tech issues and Job security

		WFHstress	Techissues	Jobsecurity
WFH stress	Pearson Correlation	1	.318*	-.279*
	Sig. (2-tailed)		.020	.043
	N	53	53	53
Tech issues	Pearson Correlation .	.318*	1	-.001
	Sig. (2-tailed)	.020		.994
	N	53	53	53
Job security	Pearson Correlation	-.279*	-.001	1
	Sig. (2-tailed)	.043	.994	
	N	53	53	53

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

From correlation results technical issues faced and job security emerged as the issues which correlated the most with stress caused in work from home (WFH stress). One can observe that WFH stress and technical issues are positively correlated i.e., as technical issues increase while working virtually, stress caused due to work from home also increases. Whereas job security and work from home stress are negatively correlated i.e., as job security decreases, stress caused while working from home increases.

Using stress caused due to work from home (WFH stress) as dependent variable and job security and technical issues faced during work as independent variables, we further refine the data to test the following hypotheses –

**Hypothesis 1**

- **Ho** –Stress caused due to work from home does not increase as technical issues faced during virtual interaction increases.
- **H1** - Stress caused due to work from home increases as technical issues faced during virtual interaction increases.

In order to test this hypothesis, one-way ANOVA technique is used. Analysis of Variance (ANOVA) was first proposed by R.A. Fisher. It is a hypothesis testing technique. It is used to compare means across population. In order to apply ANOVA to a population sample there are some rules –

- Population should be normally distributed i.e., equal variance

- Population is randomly drawn and independent of each other
- Independence between and within samples

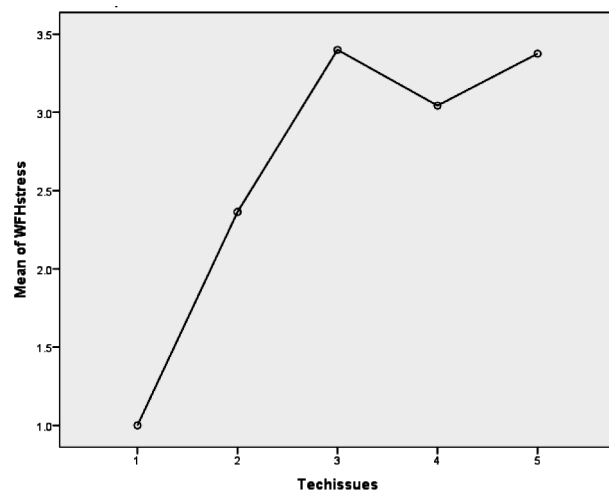
If p value is lesser than the level of significance, then null hypothesis is rejected and alternate hypothesis is accepted.

If p value is greater than the level of significance, then null hypothesis is accepted and alternate hypothesis is rejected.

Table 2 - ANOVA – WFH stress & Tech issues

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	11.204	4	2.801	2.814	.035
Within Groups	47.777	48	.995		
Total	58.981	52			

**Figure 4:** Graph between means of WF H stress and Tech issues



1-Strongly disagree, 2 - Disagree, 3 - Neutral, 4- Agree, 5 - Strongly Agree

Since the p-value (0.035) is less than the level of significance (0.05), Ho is rejected and H1 is accepted. Hence WFH stress increases as technical issues faced while working virtually increases. The same can be observed from the graph plotted between WFH stress and technical issues in Figure 4.

Increase in stress might be due to lack of familiarity with the online platform used. This problem would be prevalent especially in employees from older age group. This needs to be properly addressed by the training and development team. Proper training needs to be arranged to familiarise the employees with the layout of the application used while working virtually.

Some might not have the financial means or connectivity in their locality to get wi-fi connection that provides uninterrupted connection. Appropriate aid from the organisation in this case can help ease the situation of the employee in pandemic times when one depends on virtual working completely. The solution will be elaborated in further sections of this paper.

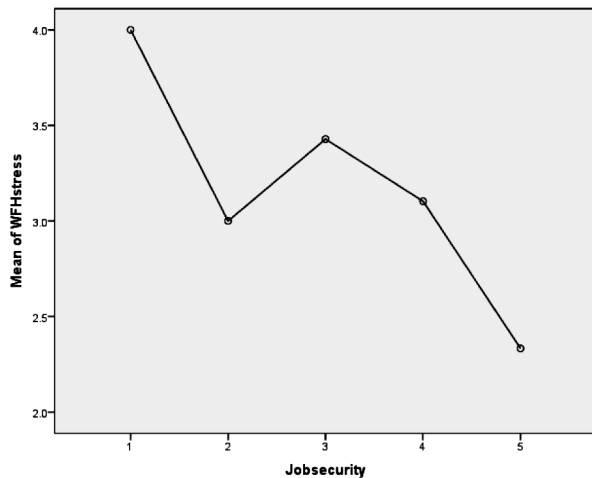
**Hypothesis 2**

- **Ho** – Lower job security, higher stress caused due to work from home.
- **H1** - Lower job security, lower stress caused due to work from home.

Table 3 - ANOVA – WFH stress & Job security  
WFHstress

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.911	4	1.978	1.859	.133
Within Groups	51.071	48	1.064		
Total	58.981	52			

Figure 5: Graph between WFH stress and Job security



1-Strongly disagree, 2 - Disagree, 3 - Neutral, 4- Agree, 5 - Strongly Agree

Since p- value (0.133) is higher than the value of significance (0.05), Ho is accepted and H1 is rejected i.e., WFH stress increases with decreasing job security. It can also be observed in the graph plotted between WFH stress and job security in Figure 5.

The fear of losing their job during pandemic is an inevitable add-on to the stress caused while working from home according to the results from

the questionnaire and interviews. Constantly being surrounded by news about lay-offs due to losses incurred by the overall industry can hamper productivity while working from home especially since they are socially isolated as against working in an office setup. It would greatly reduce this stress if the supervisors and management keep the employees in loop on the ongoing business decisions made. This will keep them prepared for whatever step the organisation is about to take. In case of a lay-off, it would greatly aid the employees if the HR team helps them out with proper career planning. Being in the field of HR, one is aware of the market landscape and thereby career opportunities provided in the industry. Thus, they can provide apt career guidance to their employees even if the company has to let go of their employees due to their crisis. This will be elaborated further in the upcoming section of this paper.

**Suggestions and Preparedness**

As Socrates said, “the secret of change is to focus all of your energy, not on fighting the old, but on building the new.” Today’s working class bore witness to one of the biggest crises of all times. The current lifestyle and working styles which we have grown accustomed to and rather comfortable are inevitably the “next normal”. (Mc Kinsey, 2020). This experience gives us great understanding on how to deal with such situations in case of an unfortunate recurrence.

**HR interventions to reduce stress caused due to work from home**

In order to reduce caused due to technical issues faced while working from home, a training model needs to be developed to ease the employees into working on the virtual platform that is being used while working from home. This model cannot be a one-time session but should be a step-wise plan spread over periodic intervals so that questions raised on the course of work can also be addressed in these training sessions itself. Having experts available to assist them during all working hours is also an effective way of averting stress during these challenging times.

At times the issues with virtual platform could also be due to lack of proper internet connectivity. In order to address this concern, HR team has to strategize with business and consider financially aiding the employees as an investment that would benefit the organisation in the long run. HR has to emphasize to the management that such an investment would have

great impact on the productivity of the employees. Monthly reports have to be maintained to track the effectiveness of this venture.

Secondly, worrying about job security while working from home during COVID-19 according to the data interpretation and analyses can be countered by pro-actively updating the employees about the situation of the company. This will also instil a sense of belongingness in the employees towards the company. Employees need to be aware of how the industry is performing as a whole and how the organisation is performing in particular. If the organisation is doing well, it will give them a sense of safety around their job and employees need not worry unnecessarily. Such information can be spread by updating the website, weekly email updates, or through intranet used for informal communication between the employees. Word of mouth is the most effective tool, hence have the word spread across by local HR teams and supervisors.

In case the employment cannot be continued, HR team can assist the employees by referring them to their HR counterparts in other organisations and also by providing career guidance. As HR team is aware of the current job market in their industry, it would greatly benefit the employees if HR team can guide them towards vacancies. Local HR person is aware of the strengths and weaknesses of an employee. Thus, they can provide counselling and offer suggestions on the role they would best fit in or any short-term courses that the employees can take up to enhance their skills and apply for a better position. Career planning is a great way of employer branding also. It would create a positive image about the organisation in the industry by the high quality of employees referred.

These could be some of the effective counter measures to decrease stress caused due to work from home and increase productivity. The times are challenging and demand innovation on a whole new level. As Warren Buffet once said, "There will be interruptions, and I don't know when they will occur, and I don't know how deep they will occur, I do know they will occur from time to time, and also know that we'll come out better on the other end." Due to the uncertainty of this pandemic, the organization should be prepared on all fronts to be viable and sustainable in the long run and this preparedness is the first of the many steps towards our next normal.

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# “LEVERAGE: CONCEPT AND IMPLICATIONS”

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**Abstract:** *The aim of this paper is that leverage has become the dominant theme of our time. It is a theme more about a tool being used across spheres – social, political, international – than any substantive issue about the global economy or international security. There is no one way that leverage is always used to get things accomplished. But in the early 21st century new patterns have emerged for individuals, organizations, and countries to exert power, and leverage frequently plays a critical role in how power is used. Leverage is an old theme, an old tool, but the times have generated an extraordinary range of leverage-makers and leverage situations and leverage successes and leverage failures.*

**KEYWORDS:** *Leverage, contribution, operating leverage, financial leverage, combined Leverage, break-even point*

## Introduction

Company can reach points required for investments either by increase owners claim or the creditors claim or both. The claim of the owner's increase when a company issuing equity shares or plugging back its earning full stop the claim of creditors increase when the fund raised by borrowing like issue debentures .

Is company issues borrowed fund more than owners fund then there is high return and high risk. But when the company issue equity shares more than the benches then there is less return and dresses. The question arises what is favourable condition for debt and equity in debentures there is a high risk because we have to pay a fixed rate of interest even company earns profit or not first Cup live which help us in exam in which situation is best.

## OBJECTIVE OF THE STUDY

- To analyze the concept of leverage
- To analyze the concept and implications of operating leverage
- To analyze the concept and implications of finanacial leverage

- To analyze the concept and implications of combined leverage

## Literature Review

A lot of research has already been conducted on the concepts of leverages and its implications ..

Titman & Wassels (1988) concluded in his study that firms which use their earnings instead of taking outside capital earn more profit because of less leverage as compare to the firms which rely more on outside capital which increase their leverage. Firm performance can be depicted by the price of its stock. If stock price of the firm is high than firms prefer to issue equity instead of taking outside capital that helps them to maintain their leverage.

Wald (1999) in his research study argued that debt to assets ratio has significant negative relation with the firm profitability. He did his study on the firm's capital structure which operates in United State, United Kingdom, Japan, France, and Germany. He used firm size, growth and firm's riskiness as explanatory variables.

Sheel (1994) in his study also supported the negative relation between debt to assets ratio and firms past

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profitability. He used cross sectional regression analysis to study the leverage behavior of 32 firms in two industry groups, Hotel industry and manufacturing sector was examined. His findings confirmed that all leverage determinants except firm size are significant in explaining leverage variations in debt behavior.

Eunju & Soocheong (2005) studied the relationship between profitability, financial leverage and size of the firm in restaurant industry. He took study period from 1998 to 2003 by using ordinary least square method. The aim of this study was to analyze the association between financial leverage and restaurants firm profitability and risk. For the sake of the achievement of objective of this study, he made three hypotheses. The first hypothesis was restaurant firms using a lower level of financial leverage have higher profitability. If a restaurant firm has a higher level of financial leverage than it has to spend large amount as interest expense despite the business situation. Second hypothesis was; firms with a higher level of financial leverage are riskier than those with a lower level of financial leverage. In his study he applied return on equity as a measure of profitability and financial leverage as a ratio of long term debt to total assets and total assets as firm size. Results of the study suggested that the restaurant firms having large assets were more profitable than small firms and the sign of financial leverage variable was negative which indicated that firms with higher debt rates were less profitable.

Mandelker & Rhee (1984) explained that the most profitable firm in many industries often have the lowest leverage ratio also found that large positive abnormal returns for a firm's stockholders are associated with leverage increasing events such as a stock repurchase or debt for equity exchange instead of leverage decreasing events such as issuing stocks. In contrast to the trade off theory, the pecking order theory of capital structure states that firms have a preferred hierarchy for finding decisions. The highest preference is to use internal financing such as retained earnings before restoring to any external funding. If a firm uses external funding the order of preference is debt, convertible securities, preferred stocks and common stock (Myers, 1984). Most studies of capital structure used a basic assumption of trade off theory. After selecting an optimal combination of financing which could be the combination of debt and equity way to gathering funds that deliver the tax benefit given by the debt which increased costs of financial distress to the equity holders of the firms. Firms need to have the target structure of capital.

Larry & Stulz (1995) conducted a study on the effect of debt on firms in Ghana which resulted positive significant association between total debt and total assets and return on equity. A study carried out by Murphy (1968), on financing behaviour of listed Chinese firms resulted in a conclusion that a negative relationship between profitability and firms leverage exists. A higher rate of return on equity capital should produce in turn more rapid growth of earnings and dividends and higher valuation of the common stock. The return on equity capital, growth of earnings and dividends and the market's valuation of the firm's common stock are all directly tied to the leverage as far as theory is concerned. It is revealed that proportion of leverage in a firm's capitalization would be directly related to its relative return on common equity, growth of earnings, price appreciation and market valuation. Leverage also had no appreciable effect on market valuation. The long term debt to total capital ratio was generally unrelated to a firm's relative price to earnings ratio and to dividend yield on its common stock in all industries and all time periods. There were some tendency to the market to value highly leveraged companies at lower rather than higher prices in terms of price to earnings multiple and dividend yields. Gupta (1969) in his study explained that debt is considered as a way to highlight investors trust in the company, if a company issues debt it provides a signal to the markets that the firm is expecting positive cash flows in the future. The principal and interest payments on debt are fixed contractual obligation which the firm has to pay out of its cash flows. Therefore, higher level of debt shows the manager confidence in future cash flows. Another impact of the signaling factor is the pecking order theory is the problem of the under pricing of equity. If a firm intends to issue equity instead of debt for financing future projects the investors will interpret the signal negatively. Since managers have superior information about the firm than investor they might issue equity when it is over-priced. Amsaveni (2009) reported that there exists a negative relation between leverage and future growth. This relation is negative for firms whose growth opportunities are either not recognized by the capital markets or are not sufficiently valuable to overcome the effects of their debt overhang. They also confirmed that leverage does not reduce growth for firms known to have good profit opportunities. To examine the relationship between leverage and growth they used dataset over a period of 20 years and they found a strong negative relationship between them Baker (1973) analyzed that effect of financial leverage or relatively greater use of debt capital, on industry profitability. This

study developed and tested a model consisting of two equations, one explaining industry profitability in terms of the usual market structure variables plus leverage and the other one was a new equation incorporating risk variables to explain leverage. He measured inversely as the ratio of equity to total assets for the leading firms in an industry over ten years. First he used two stages least square method of estimation which shows leverage is significant and has the theoretically correct negative sign which means low amounts of leverage tend to raise industry profit raises. Secondly, he used ordinary least square estimation which also indorsed the same results.

**RESEARCH METHODOLOGY:** the study is based on secondary sources of data/ information. Different books , journals , newspaper and relevant websites have been consulted in order to make the study effective.

**WHAT IS LEVERAGE?** Employment of assetss or fund for which a firm has to take fixed return and fixed cost that is known as leverage. When a firm is paying fixed cost or fixed interest then it will be considered that a firm is in leverage. Fixed cost and fixed return of the fulcrum of leverage. After can turned it as a fixed operating cost and fixed financial cost.

when are small changes in the sales give a greater change in profit then it has high level of high degree of leverage it is also known as operating cost and financial cost. Some definitions are given to have a clear idea about leverage: According to J. C. Van Home: "Leverage is the employment of an asset or funds for which the firm pays a fixed cost of fixed return." According to Ezra Solomon: "Leverage is the ratio of net returns on shareholders equity and the net rate of return on capitalisation".

**OPERATING LEVERAGE:** It is the combination of fixed cost and variable cost will stop if a firm is taking a fixed cost then there is a operating leverage if our fixed cost is more than variable cost then there is high degree of leverage operating cost. if variable cost is higher than fixed cost that there is less leverage.

Features of operating leverage

1. to determine break even sales
2. it measures operational efficiency of the firm
3. increase in contribution , increase in profit
4. decrease in contribution ,decrease in profit

Example: if a firm wants to manufacture a spare part of trucks and cars. It has to take two season

1. purchase costly machine and reduced labour force.

2. increase labour force and purchase less costly machines.

If selected first option then there is high operating leverage. In this there is a high risk but high return also ( fixed cost is greater than variable cost) high. in second option risk analyst and return is also less( variable cost is higher than fixed cost) there is no degree of operating leverage.

Operating leverage is depend upon three things:

1. fixed cost
2. Contribution
3. profit

$$\text{BREAK EVEN POINT} = \frac{\text{fixed cost}}{\text{contribution}}$$

$$\text{DEGREE OF OPERATING LEVERAGE} = \frac{\text{Percentage Change In Profit}}{\text{Percentage Change In Sales}}$$

**Factor Affecting Operating Leverage:**

1. Risk
2. break even point
3. Sales
4. fixed cost

for example

	Situation 1	Situation 2	Situation 3
Sales	4000	4000	4000
Variable Cost	2400	2400	2400
Contribution	1600	1600	1600
Fixed Cost	400	1000	1200
Operating Profit	1200	600	400
Operating Leverage	1.33	2.66	4
Contribution/ Operating Profit	1600/1200	1600/600	1600/400

in this third situation has high degree of operating leverage. In this if we increases a sales

sales	8000
Variable cost	4800
Contribution	3200
Fixed cost	1200
Operating profits	2000

$$\text{Degree Of Operating Leverage} = \frac{\text{Percentage Change In Profits}}{\text{Percentage Change In Sales.}} = \frac{400}{100} = 4$$



It means that by increasing Rupees 1 in sale, results for rupees 4 increase in profits

### Significance Of Operating Leverage

1. Operating profit is one of the technique to measure the impact of changes in sales which leads to change in profit of the company.
2. Operating leverage helps to identify the position of fixed cost and variable cost.
3. It measure the relationship between the sales and revenue of the company during a specific period.
4. It describes the overall position of fixed operating cost.
5. It helps to understand the level of fixed cost which is invested in the operating expenses of business activities.
6. It will helpful for planning and capital structure.
7. Operating leverage is used for operational or profit planning .for the same purpose the cost volume profit analysis or break even analysis is used . It may be mentioned that the reciprocal of margin of safety is the operating leverage.
8. If operating leverage is high . It means that break even point will be reached at a higher level of sales and the margin of safety is low.

Utility: It has utility if it give us positive return . It can give reverse result also because its sales decreases by very small amount it gave us high loss also.

### Financial Leverage

It is also known as fixed charge leverage. It means to use of fixed charge capital first stop it is also known as capital gearing. It means arrangement of debt having fixed charge.

When a company earns more money than a fixed charges then there is high leverage and vice versa. if a company issues debentures more than equity share then it has high financial leverage.

features of financial leverage

1. It is associated with risk.
2. higher the financial leverage higher will be the risk.
3. lower the financial leverage lower will be the risk.
4. Favorable when earning person is positive.
5. unfavorable when earning per share is negative.

for example

	Company A	Company B
Equity	10,00,000	3000000
Debentures	40,00,000	2000000
Total Capital	50,00,000	5000000
Debt/Equity	4:1	2:3
	high leverage	Less leverage

Factor affecting financial leverage

1. rate of interest
2. rate of return
3. Tax
4. debt cost

### Significance of financial leverage

1. Financial leverage magnifies increase in Earning per share during period of rising operating income.
2. Principal leverage results from utilising debt to finance assets. The greater the ratio of funds contributed by creditors compared to funds contributed by stockholders, greater a firm's financial leverage.
3. The capital structure is concerned with the raising of long-term points, both from shareholder and long term creditors .manager has to decide about the ratio between fixed cost and equity share capital the effect of borrowing on cost of capital and financial has to be discussed before selecting A final capital structure.
4. The earning person is affected by the degree of financial leverage if the profitability of the concern is increasing then fixed cost fund will help in increasing the availability of profits for equity stockholders. The level of sales and resultant profitability is helpful in profit planning an important tool of profit planning is break even analysis the concept of break even analysis is used to understand financial leverage. So, financial leverage is very important for profit planning.

### Limitations of financial leverage

1. **Double edge weapon:** double is weapon. It can be successfully employed to increase the earnings of the shareholders only then the rate of earnings of the company is more than the fix rate of interest given on debentures /dividend preference shares. on the Earth if it does not on as much as the cost of interest bearing securities,

then it will work adversely and hence cannot be employed.

2. **Beneficial only two companies having stability of earnings.:** trading on equity is beneficial only to the companies having stable and regular earnings. This is so because interest on debentures is a recurring burden on the company and a company having a regular income cannot pay interest on its Borrowings during lean years.
3. **Increases risk and rate of interest:** another limitation of financial leverage is on account of the fact that every rupee of extra debt increases the risk and hence the rate of interest on subsequent loans also goes on increasing stop it becomes difficult for the companies obtain for the Debt without offering Extra securities and higher rate of interest reducing their earnings.
4. **Restrictions from Financial Institutions:** the initial Institutions also impose restrictions on companies which resort to excessive trading on equity because of the risk factor and to maintain a balance in the capital structure of the company.

## COMBINED LEVERAGE / COMPOSITE LEVERAGE

when the company uses both financial leverage and operating leverage to magnification of any changes in sales into a larger relative changes in earning Persia. Combined leverage Express the relationship between the revenue in the account of sales and the taxable income.

### Features of combined leverage

1. Increasing contribution, increasing EPS, which is favourable.
2. Decrease in contribution, increasing EPS, which is unfavourable.

Combined leverage = Operating leverage × Financial leverage

$$\begin{aligned} \text{Combined leverage} &= \frac{\text{Contribution}}{\text{Operating profits}} \times \frac{\text{Operating profits}}{\text{Profit before tax}} \\ &= \frac{\text{Contribution}}{\text{Profit before tax}} \end{aligned}$$

$$\text{Combined Leverage} = \frac{\text{Contribution}}{\text{Earning Before Tax}}$$

## DEGREE OF COMBINED LEVERAGE

$$\text{Degree Of Combined Leverage} = \frac{\text{Percentage Change In Earning Per Share}}{\text{Percentage Change In Sales}}$$

## IMPORTANCE OF COMBINED LEVERAGE:

The importance of combined leverage are:

1. It indicates the effect that changes in sales will have on EPS.
2. It shows the combined effect of operating leverage and financial leverage.
3. A combination of high operating leverage and a high financial leverage is very risky situation because the combined effect of the two leverages is a multiple of these two leverages.
4. A combination of high operating leverage and a low financial leverage indicates that the management should be careful as the high risk involved in the former is balanced by the later.
5. A combination of low operating leverage and a high financial leverage gives a better situation for maximizing return and minimizing risk factor, because keeping the operating leverage at low-rate full advantage of debt financing can be taken to maximize return. In this situation the firm reaches its BEP at a low level of sales with minimum business risk.
6. A combination of low operating leverage and low financial leverage indicates that the firm losses profitable opportunities.

## Conclusion

Leverage analysis is very important to those firm which are exposed to high fixed operating and finance cost. The operating leverage, financial leverage, and combined leverage are not favorable due to fluctuation in sales during these three years as well as it is reflecting increasing trends. The concern here by recommended that it should try to increase it is overall sales so that it can minimize the impact of increased operating and financial leverage.

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# A STUDY OF BLUE OCEAN STRATEGY

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**Abstract:** The rapid and continuous growth in business is one of the most important features of the present era. The opening of most of the world markets to each other has become a real reality among countries. The Blue Ocean Strategy as a method for developing sustainable profitable frameworks implies the fundamental idea of developing new innovational markets with a majority of new customers. The best way to describe the attractiveness of the blue oceans is to analyse the Blue Ocean Paradox, shown up by Kim and Mauborgne during a study in 2005. A successful example for the use of the Blue Ocean Strategy is the Yellow tail wine, offered by the Castella Wines an Australian Wine Industry company. the Blue Ocean Strategy theory as a whole summarized compelling ideas about innovation and market creation that catches the interest of many business economy and academically readers.

**Keywords:** Blue Ocean Strategy, Competitive Advantage.

## Introduction

The rapid and continuous growth in business is one of the most important features of the present era. The opening of most of the world markets to each other has become a real reality among countries. Contemporary business organizations are suffering from the competition, changing customer patterns, and strong supply from strong demand. It is, therefore, necessary for organizations to adopt new strategies to ensure their survival, excellence and market leadership. Blue Ocean Strategy is the development of the strategic management concept in the evolving and changing world of business. This strategy shows that leading companies do not excel in battles and conflicts with competitors, but rather by finding "blue oceans" in new markets that have not reached the depths of their predicament through "value innovation" that delivers strong leaps in values for both the organization and the client. The blue ocean strategy also means creativity and innovation in products and services in the face of fierce competition in the business world.

In the last decades lots of different strategy frameworks have been published, some of these frameworks are

rather famous, like the five forces framework by Porter (1979), the business model canvas by Osterwalder (2004), or the Blue Ocean Strategy by Kim and Mauborgne (2004).

The Blue Ocean Strategy as a method for developing sustainable profitable frameworks implies the fundamental idea of developing new innovational markets with a majority of new customers. The Blue Ocean Strategy seems to be a perfect solution for present companies to become sustainable successful.

The main statement about the Blue Ocean Strategy is a way how, companies can create uncontested market space that makes the competition irrelevant. Therefore Kim and Mauborgne rely on their study from 2004 where they analysed 150 companies within 30 industries over 100 years and reasoned that two kinds of markets called the "blue and red oceans", existed in their opinion. But only the companies from the blue ocean markets were able to achieve true success.

## Literature review

Many organizations began to adopt the concept of strategy into their businesses after World War II. The

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main theme of strategy during that period was based on sales forecast and operational budget in relation to coping with the rapidly growing economies and rising consumer demands.

In the 1960s, organizations exercised planning, including environmental analysis, multi-year forecasts and resource allocation with a longer time horizon, in response to the drastically increasing demands (Gluck et al., 1980).

The prominent contributors to the strategy literature at that point in time included Chandler (1962), Andrews (1965), and Ansoff (1965). Chandler (1962) explained how the development of large organizations corresponded to how their organizational structures changed to meet the demands drive from management in relation to business growth.

Based on Chandler's work, Andrews (1965) asserted strategy as a set of clear direction that defined a company's businesses and activities. He also introduced the SWOT (Strength, Weakness, Opportunity and Threat) analysis framework to support companies analyzing their external and internal environment for strategy making. The contributions of Chandler and Andrews formed the basis of what could be termed the "design" school (Mintzberg et al., 1998). However, in Ansoff's (1965) perspective, simply setting clear corporate objectives was not sufficient on its own, and he prescribed a set of decision-making rules to formalize the strategic planning process.

Essentially, the study of strategic planning reached its highest point in the early 1970s, yet the weaknesses of the prescriptive approaches to strategy formulation and implementation were exposed when facing environmental uncertainty including the oil crisis and rising international competition of the emerging giant corporations from Europe and Japan during that period (Stacey, 1993). Mintzberg (1978), for example, pointed out that some planned strategies failed to realize their intended outputs owing to both internal and external variables; however, other successful strategies might emerge informally in the form of unintended patterns through the learning process in response to evolving reality. Therefore, strategy formulation could be considered as the interface between a variety of forces derived from the business environment and the impetus developed by an organization, and strategy formation tends to follow the life cycles eventually.

Despite its shortcomings, the prescriptive school of thought continued to progress in the 1980s with a emphasis on the effective use of all the company's

resources to attain competitive advantage, and the most influential author was none other than Michael Porter (1980, 1985). His analytical frameworks, including five forces analysis, the value chain, and generic competitive strategies, were widely acknowledged by both academics and practitioners. Mintzberg (1990) referred to Porter's works as the "positioning" school because he was focused strongly on a company's strategic positioning in the economic marketplace, and this approach still dominates in the field today. However, Bartlett and Ghoshal (1991) criticized Porter's works for narrowing the focal point in the field without an adequate understanding of the internal processes.

In the 1990s, numerous scholars contended Porter's works by arguing that competitive advantage was built on a company's superior resources, competences, and capabilities, rather than on choice of industry and the gaining of market power; this is known as capability building theory. This school of thought had three main branches, namely the resource-based view (Wernerfelt, 1984), core competences (Prahalad and Hamel, 1990), and dynamic capabilities (Teece et al., 1997), which drew on the analogous basic concepts. However, capability-building theory is inherently rigid by nature, so a company cannot easily embrace swift, radical, and repeated change in a turbulent environment (Cohen and Levinthal, 1990; Lengnick-Hall and Wolff, 1999). For this reason the basic element of competitive advantage under capability-building theory is well-matched to calmer and slower environmental change (Chakravarthy, 1997). In view of that, capability-building theory has been further enhanced to integrate dynamic capabilities along the asserted trail by focusing mainly on the learning processes that permit companies to reconfigure their resources to adapt in fast-changing environments (Helfat, 2000).

Recent literature on strategy also acknowledges a different approach to strategy making, namely blue ocean strategy (Kim and Mauborgne, 2005). Kim and Mauborgne (2005) use "blue ocean" to describe all of the markets that do not yet exist, and the strategizing to create demand and make competition irrelevant for large and fast profit margins is termed blue ocean strategy. The long-dominant competitive strategy suggested that the focal point of strategy is competition and competitive advantage is the answer to sustain superior performance. However, because of overcrowded supply and declining demand, these days there is only limited room for real growth. Therefore, instead of focusing on the competition in existing markets, blue ocean strategy posits value

innovation to create uncontested market space and break away from the competition to achieve highly profitable and sustainable growth. Value innovation is the cornerstone of blue ocean strategy, which means pursuing differentiation and low cost simultaneously to create a leap in value for both buyers and company to break from the competition and create new customer demand and uncontested market space. This concept is based on the reconstructionist view that asserts market boundaries and industry structure can be reshaped by the activities and beliefs of industry players (Kim and Mauborgne, 2005). Theoretically, the concept of blue ocean strategy is firmly grounded on a study of 150 strategic moves made by companies in a range of industries. However, there are only a few empirical studies being conducted to support the validity and practicality of blue ocean strategy (e.g. Burke et al., 2009; Aspara et al., 2008; C. Kim et al., 2008).

### Idea of new market creations

The blue oceans stand for completely new and undiscovered markets and opportunities with new value creations, new customer bases and no competition. Demand is created, growth is profitable and rapid, competition is irrelevant, rules of the game are not set, wide deep potential of market space that is not yet explored, "blue ocean" = vast, deep, powerful, in terms of profitable growth, and infinite (Kim & Mauborgne, 2005).

### The Blue Ocean Strategy framework

The Blue Ocean Strategy by Kim and Mauborgne was published in 2004. According to the authors, it provides the analytical frameworks and tools to create and enter new market space. Using the Blue Ocean Strategy, each company should be able to find unique ways to discover new market space. Important to note though, what all companies have in common is that they need to focus on non-customers, and also need to be aware that most blue markets are often created within of existing red oceans (Kim & Mauborgne, 2004).

### The Blue Ocean Paradox

The best way to describe the attractiveness of the blue oceans is to analyse the Blue Ocean Paradox, shown up by Kim and Mauborgne during a study in 2005. The result of the study showed that only 14% of all studied business launches were made within the Blue Ocean markets, but these 14% achieved 38% revenue impact and about 62% of profit impact. Compared to the majority of 86% business launches in red oceans,

which were able to get 39% of the total profit impact (Kim & Mauborgne, 2004).

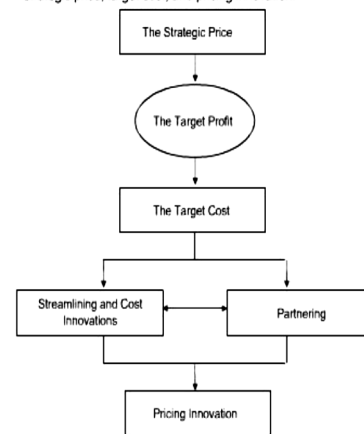
### The Profit Model of Blue Ocean Strategy

The Profit Model of Blue Ocean Strategy illustrates the steps taken from pricing, over profit margin, to targeted cost till the final pricing.

### Profit Model of Blue Ocean Strategy (Kim & Mauborgne, 2004)

#### Profit Model of Blue Ocean Strategy

The profit model of blue ocean strategy shows how value innovation typically maximizes profit by using the three levers of strategic price, target cost, and pricing innovation.



Profit Model of Blue Ocean Strategy (Kim & Mauborgne, 2004)

### Advantages of creating a model like the Blue Ocean Strategy

General advantages of creating a model like the Blue Ocean Strategy can be found in the Scientific Management Theory, which discloses amongst others the following benefits:

- Increase of productivity due to steady improvements in business operations
- Increase in accuracy due to specified guidelines, models and frameworks
- Improved decision making
- Viable working methods and control instances at an early stage

### Blue Ocean Strategies used by various companies

A successful example for the use of the Blue Ocean Strategy is the Yellow tail wine, offered by the Castella Wines an Australian Wine Industry company.

The company has been highlighted by Kim and Mauborgne (2004), for their creation of new markets especially in the United States.

In July 2001, the company introduces the Yellow Tail, a fun and social drink to the \$20 billion United States wine industry. Castella Wines expected to sell about 25,000 cases in their first year, but sold instead nine times that amount. At the end of 2005, the Yellow Tail sales exceeded 25 million cases, outperforming comparable American, French and Italian brands.

Apple, a technological company located in the USA is known for "bobbling" along in its own Blue Ocean space, because of its special and hard to imitate company success. The importance to stay innovative is significant to the survival of the company, where new imitators arise fast on new created markets.

3M is a company acting in the leisure and tourism industry in the USA. The company is known for its innovational strategy, which needs a lot of investment in R&D. The investments are described as useful and necessary to support the implementation in the innovation ideas. This basic idea seems to be simple implement by other companies, therefore 3M implemented the Blue Ocean Strategy.

### Failed and good examples of the Blue Ocean Strategy

The Body Shop, a company in the cosmetic Industry, in Great Britain was proposed by Kim and Mauborgne (2004) for ignoring glamorous aspects of the industry and designing at the same time its new image of functionality, reduced prices and modest packaging. The increased value focused on natural ingredients, a healthy lifestyle and ethical concerns.

The case reviewed that the Body Shop created their blue ocean for more than a decade. It was illustrated furthermore, that the Body Shop found itself in hardship to create new blue oceans while their present business was to defending the companies current markets.

### Conclusion

On one side the Blue Ocean Strategy is not completely valid as a theory. Critiques have been assembled to represent the improbability of the theory. Nevertheless, the Blue Ocean Strategy theory as a whole summarized compelling ideas about innovation and market creation that catches the interest of many business economy and academically readers. On the other hand, the Blue Ocean Strategy as a concept can also be described as reliable at a high scale, because of its practical application spectrum.

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# INTENTION OF RURAL CONSUMERS TO BUY GREEN FMCG PRODUCTS: A STUDY ON BHIWANI DISTRICT

Srishti\*

Sunita Bhartwal\*\*

**Abstract:** Nowadays scope of green marketing is gaining popularity. Many companies are adopting green marketing concept. Consumers are also responding positively towards the green marketing strategy of the companies. They are having positive attitude towards green products and are having an intention to purchase green products. So this study is conducted with an objective to find out the intention of rural consumers to buy green FMCG products. For achieving this objective structured questionnaires were made filled from 100 rural consumers of Bhiwani district. After analyzing the responses using Frequency distribution technique; it was found that 36% respondents are still not having an intention or having less intention regarding buying green FMCG products; regarding buying green FMCG products, in spite of the fact that these products are made by using natural ingredients and are better for environment and health; regarding recommending green FMCG products to their families, friends and others; and regarding buying green FMCG products for supporting environmental friendliness of companies. While a majority of respondents i.e. 64% respondents were found to be having an intention regarding buying green FMCG products; regarding buying green FMCG products, in spite of the fact that these products are made by using natural ingredients and are better for environment and health; regarding recommending green FMCG products to their families, friends and others; and regarding buying green FMCG products for supporting environmental friendliness of companies.

**KEYWORDS:** Green marketing; rural consumers; sustainable future; natural ingredients

## Introduction

Nowadays scope of green marketing is gaining popularity. Many companies are adopting green marketing concept. Many companies at national and international level are making and selling green products. It also helps companies in increasing their sales and gain competitive advantage.

Green marketing which is also known as sustainable marketing, environmentally responsible marketing and environmental marketing is one of the solutions to deal with the problem of deterioration

of environment. In green marketing consumers' needs are tried to satisfy while minimizing the negative effect of production and consumption on the environment. The main objective of green marketing is to promote green products and encourage consumers for purchasing and using green products.

Consumers are also aware regarding the disadvantages of non-green products. The occurrence of covid-19 has also raised the consumers' awareness regarding the disadvantages of non-green products.

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They are also responding positively towards the green marketing strategy of the companies. They are having positive attitude towards green products and are having an intention to purchase green products. Rural consumers are also having positive attitude towards green products and are having an intention to purchase green products.

The sale of green products is increasing day by day. A study by Nielsen found that products claiming sustainability outperformed as compared to their respective categories growth rate for total product. On the basis of 52-weeks sales data, this study found that for the period ending 3/24/2018, weighted average sale of 3 FMCG (fast-moving consumer goods) namely chocolate, coffee and bath products was 3% more for sustainable products. Sale of sustainable chocolate was 2 % more, sale of sustainable coffee was 11 % more and sale of sustainable bath products was 13 % more than their respective categories total sales. Green buying behaviour of consumers has also emerged as an opportunity for the marketers. In india, approx. 0.23 million solar home systems and 3.24 million solar lanterns were sold during financial year 2017.

### Literature Review

Suki (2016) analyzed the impact of positioning of green brand, attitude of consumers' towards green brands and knowledge regarding green brand on purchase intention regarding green products. Data were collected from 300 respondents. It was analyzed that green brand positioning, attitude of consumers towards green brands and knowledge regarding green brand had significant impact on purchase intention regarding green products. Knowledge regarding green brand also had significant influence on attitude of consumers' towards green brands. It was also found in this study that among four categories of green products (organic egg, organic vegetable, solar panels and LED television) a majority of respondents (46.7%) purchased organic vegetables. Family members were found to be the main source which motivates the customers to buy green products followed by friends, neighbors and lecturers. It was also found that a majority of respondents spent less money on purchase of green products and also purchased green products less frequently.

Mishal et al. (2017) investigated the relationship among ECO (environmental consciousness), PCE (perceived consumer effectiveness), GPA (green purchase attitude), GPI (green purchase intention), GRB (green behavior) and GPB (green purchase

behavior). It was found that ECO had significant effect on GPA and PCE. GPA & GPI found to have significant positive impact on PCE while GPA also found to have positive impact on GRB (green behavior) of consumers which in turn have significant positive impact on GPB (green purchase behavior) of consumers. This study also suggested that the gap in conversion of environment consciousness into green purchase behavior was due to lack of availability and with lesser variety, costliness and lack of reputation of brand of green products.

Schill and Winkel (2019) segmented the consumers with a purpose of exploring consumers' purchase intentions and their profiles regarding smart environmental objects. Data were collected from 658 French consumers. By applying cluster analysis, this study segmented the consumers in 4 segments namely retro eco-friendly, unconcerned, converted and non-materialistic converted. Retro eco-friendly segment was related with consumers having age more than 46 years. These consumers were found to have higher concern and belief towards environment, but they did not express usefulness and materialistic values regarding smart environmental objects. So technological dimension worked as a constraint for these consumers and kept their purchase intention lowest in comparison of other segments. Unconcerned segment was consisting of young consumers whose belief and concern towards environment was low. Their materialism scores were high, but they were found not to be convinced regarding usefulness of smart environmental objects. Their purchase intention was also found to be low. Segment namely non-materialistic converted was found related with consumers having lowest materialism scores, but having higher belief and concern towards environment. These consumers expressed high usefulness regarding smart environmental objects. They were found to be having positive purchase intention. The converted segment was consisting mainly young consumers who were having age below 35 years. These consumers expressed high belief and concern towards environment. They also have high materialism scores and high perceived usefulness regarding smart environmental objects. They expressed highest purchase intention for the purchase of smart environmental objects.

Honkanen and Young (2015) explored the predictors for consumer intention regarding purchase of sustainable seafood. For this purpose data were collected from 755 respondents. By applying Structural equation modeling, it was found that various factors such as moral obligation/personal

norm, positive attitude and subjective norm significantly predict the consumer intention regarding purchase of sustainable seafood. However factor namely perceived consumer effectiveness was found to be insignificant for predicting consumer purchase intention regarding sustainable seafood.

### Objectives

The main objective of this study is to find out the intention of rural consumers to buy green FMCG products.

### Research Methodology

In this study primary data was collected for achieving

the main objective. While secondary data was also used for reviewing the literature. Secondary data was taken from journals, books and websites etc. For collection of primary data structured questionnaires were made filled from 100 rural consumers of Bhiwani district. Frequency distribution technique was used for analyzing the collected responses.

### Demographic Analysis

Respondents were made to fill the personal information such as gender, education, income source, marital status and family type. These responses were analyzed by applying frequency distribution technique.

**Table 1:** Demographic Profile of Respondents

		Frequency	Percent	Cumulative Percent
<b>Gender</b>	<b>Male</b>	65	65.0	65.0
	<b>Female</b>	35	35.0	100.0
<b>Education</b>	<b>up to 12th</b>	16	16.0	16.0
	<b>graduation</b>	42	42.0	58.0
	<b>post-graduation</b>	32	32.0	90.0
	<b>M.Phil. or Ph.D.</b>	2	2.0	92.0
	<b>other</b>	8	8.0	100.0
<b>Income Source</b>	<b>Agriculture</b>	24	24.0	24.0
	<b>Business</b>	29	29.0	53.0
	<b>Profession</b>	20	20.0	73.0
	<b>other</b>	27	27.0	100.0
<b>Marital Status</b>	<b>Married</b>	38	38.0	38.0
	<b>Unmarried</b>	62	62.0	100.0
<b>Family Type</b>	<b>Nuclear</b>	35	35.0	35.0
	<b>Joint</b>	65	65.0	100.0

Table 1 shows the demographic profile of respondents. It shows that 65% respondents were male while 35% respondents were female. Regarding the education of the respondents 16% respondents were up to 12th, 42% respondents were graduate, 32% respondents were post-graduate, 2% respondents have done M.Phil. or Ph.D. while 8% respondents were related to other category of education. The income source of 24% respondents was agriculture, income source of 29% respondents was business, income source of 20% respondents was profession and 27% respondents were having some other sources for income. A majority of respondents (i.e. 62%) were found to be unmarried while only 38% respondents were married. 35% respondents were from nuclear families while 62% respondents were from joint families.

### Analysis regarding intention of rural consumers to buy green FMCG products

The main objective of this study was to find out the intention of rural consumers to buy green FMCG products. 4 statements were taken regarding intention of rural consumers to buy green FMCG products. The responses collected were analyzed by using Frequency distribution technique.

Table 2: I intend to buy green FMCG products

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	6.0	6.0	6.0
	Disagree	16	16.0	16.0	22.0
	Neutral	22	22.0	22.0	44.0
	Agree	43	43.0	43.0	87.0
	Strongly Agree	13	13.0	13.0	100.0
	Total	100	100.0	100.0	

Table 2 shows that 22% (n=22) respondents were not having an intention to buy green FMCG products. 22% (n=22) respondents were neutral regarding having an intention to buy green FMCG products. While only 56% (n=56) respondents were having an intention to buy green FMCG products.

**Table 3:** I intend to buy green FMCG products, because these products are made by using natural ingredients and are better for environment and health

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	7.0	7.0	7.0
	Disagree	16	16.0	16.0	23.0
	Neutral	18	18.0	18.0	41.0
	Agree	39	39.0	39.0	80.0
	Strongly Agree	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

Table 3 shows that 23% (n=23) respondents were not having an intention to buy green FMCG products, in spite of the fact that these products are made by using natural ingredients and are better for environment and health. 18% (n=18) respondents were neutral regarding having an intention to buy green FMCG products with the fact that these products are made by using natural ingredients and are better for environment and health. While 59% (n=59) respondents were having an intention to buy green FMCG products, because these products are made by using natural ingredients and are better for environment and health.

**Table 4:** I will recommend green FMCG products to my family, friends and others

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	8.0	8.0	8.0
	Disagree	18	18.0	18.0	26.0
	Neutral	22	22.0	22.0	48.0
	Agree	32	32.0	32.0	80.0
	Strongly Agree	20	20.0	20.0	100.0
	Total	100	100.0	100.0	

Table 4 shows that 26% (n=26) respondents were not willing to recommend green FMCG products to their families, friends and others. 22% (n=22) respondents were neutral regarding recommending green FMCG products to their families, friends and others. While 52% (n=52) respondents were ready to recommend green FMCG products to their families, friends and others.

**Table 5:** I intend to buy green FMCG products for supporting environmental friendliness of companies

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	11.0	11.0	11.0
	Disagree	8	8.0	8.0	19.0
	Neutral	23	23.0	23.0	42.0
	Agree	46	46.0	46.0	88.0
	Strongly Agree	12	12.0	12.0	100.0
	Total	100	100.0	100.0	

Table 5 shows that 19% (n=19) respondents were not having an intention to buy green FMCG products for supporting environmental friendliness of companies. 23% (n=23) respondents were neutral regarding having an intention to buy green FMCG products for supporting environmental friendliness of companies. While 58% (n=58) respondents were having an intention to buy green FMCG products for supporting environmental friendliness of companies.

**Table 6:** overall intention of rural consumers to buy green FMCG products

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	6.00	3	3.0	3.0	3.0
	7.00	3	3.0	3.0	6.0
	8.00	1	1.0	1.0	7.0
	9.00	4	4.0	4.0	11.0
	10.00	7	7.0	7.0	18.0
	11.00	10	10.0	10.0	28.0
	12.00	8	8.0	8.0	36.0
	13.00	7	7.0	7.0	43.0
	14.00	8	8.0	8.0	51.0
	15.00	11	11.0	11.0	62.0
	16.00	20	20.0	20.0	82.0
	17.00	9	9.0	9.0	91.0
	18.00	6	6.0	6.0	97.0
	20.00	3	3.0	3.0	100.0
Total	100	100.0	100.0		

Table 6 shows that overall 36% (i.e.36) respondents were not having an intention or having less intention regarding buying green FMCG products; regarding buying green FMCG products, in spite of the fact that these products are made by using natural ingredients and are better for environment and health; regarding recommending green FMCG products to their

families, friends and others; and regarding buying green FMCG products for supporting environmental friendliness of companies. While 64% (i.e. 64) respondents were having an intention regarding buying green FMCG products; regarding buying green FMCG products, in spite of the fact that these products are made by using natural ingredients and

are better for environment and health; regarding recommending green FMCG products to their families, friends and others; and regarding buying green FMCG products for supporting environmental friendliness of companies.

### Conclusion

Nowadays the use of green products is gaining popularity. Many companies are making and selling green products. Consumers are having a positive attitude towards green products. They are also having an intention regarding purchase of green products. Although some consumers are not ready to buy green products in spite of their positive effect on the environment and on their health. As this study show; 36% respondents are still not having an intention or having less intention regarding buying green FMCG products; regarding buying green FMCG products, in spite of the fact that these products are made by using natural ingredients and are better for environment and health; regarding recommending green FMCG products to their families, friends and others; and regarding buying green FMCG products for supporting environmental friendliness of companies. While a majority of respondents i.e. 64% respondents were found to be having an intention regarding buying green FMCG products; regarding buying green FMCG products, in spite of the fact that these products are made by using natural ingredients and are better for environment and health; regarding recommending green FMCG products to their families, friends and others; and regarding buying green FMCG products for supporting environmental friendliness of companies.

Although a majority of respondents were found to be having an intention regarding purchase of green FMCG products; still efforts should be made by marketers to persuade the consumers who are not having an intention to buy green products. Consumers should also be conscious regarding the negative effect of non-green products on their health and environment which will make them adopt green products. Media should also increase the consumers' interest in green products by describing its benefits for environment and health.

### Limitations of the Study

- For this study only one district was considered for collecting the data.
- Responses were collected only from 100 respondents.

### Scope for Future Research

- Another study on state level or on national level can be conducted in future.
- Another study by taking a large sample can be conducted in future.
- This study was conducted for finding the intention of rural consumers to pay for green FMCG products while in future another study can be conducted on the intention of urban consumers to pay for green FMCG products.

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## Appendix

Statements regarding intention to buy green FMCG products

Sr.No.	Statements
1.	I intend to buy green FMCG products.
2.	I intend to buy green FMCG products, because these products are made by using natural ingredients and are better for environment and health.
3.	I will recommend green FMCG products to my family, friends and others.
4.	I intend to buy green FMCG products for supporting environmental friendliness of companies

# A STUDY OF HR ANALYTICS

Sweta Bakshi\*

**Abstract:** Organizations are trying to improve the accuracy of decisions while improving their effectiveness and efficiency through data analytics. HR analytics, also referred to as people analytics, workforce analytics, or talent analytics, involves gathering together, analyzing, and reporting HR data. It enables organization to measure the impact of a range of HR metrics on overall business performance and make decisions based on data. The majority of HR departments just record, and store employee data. This doesn't suffice in today's data-driven economy. HR analytics aim to provide insight into how best to manage employees and reach business goals. Because so much data is available, it is important for HR teams to first identify which data is most relevant, along with how to use it for maximum ROI.

## Introduction

Organizations are trying to improve the accuracy of decisions while improving their effectiveness and efficiency through data analytics. Data related to every aspect of employees in the organization should be well assessed, evaluated and analyzed to make suitable decisions regarding to employees' issues (Lochab et al., 2018). HR analytics is a powerful tool that has the possibility of adding positive value to the functions of HR department and improving the effectiveness and efficiency of every associated aspects of it through logical and numerical explanations. The use of data in HR is referred as "workforce analytics," "human capital analytics" or "HR analytics". With the help of HR analytics, HR professionals make decisions which enable to attract, retain and improve the employee performance and an organization can maintain its' success in the long run only if it keeps itself updated with the latest trends happening in the field of HR analytics (Reena et al., 2019). One of the major advantages with HR analytics is that it is an evidence based study, which helps the HR professionals in making rational decisions whilst enhancing the strategic impact of HR analytics, also referred to as people analytics, workforce analytics, or talent analytics, involves gathering together, analyzing, and reporting HR data. It enables your organization to measure the

impact of a range of HR metrics on overall business performance and make decisions based on data. In other words, HR analytics is a data-driven approach toward Human Resources Management.

HR analytics is a fairly novel tool. This means it is still largely unexplored in scientific literature. The best-known scientific HR analytics definition is by Heuvel & Bondarouk. According to them, HR analytics is the systematic identification and quantification of the people drivers of business outcomes (Heuvel & Bondarouk, 2016).

In the past century, Human Resource Management has changed dramatically. It has shifted from an operational discipline towards a more strategic one. The popularity of the term Strategic Human Resource Management (SHRM) exemplifies this. The data-driven approach that characterizes HR analytics is in line with this development.

By using people analytics you don't have to rely on gut feeling anymore. Analytics enables HR professionals to make data-driven decisions. Furthermore, analytics helps to test the effectiveness of HR policies and different interventions.

By the way, HR analytics is similar to people analytics but there are some subtle differences in how the terms are used. Being able to use data in decision-making has been growing in importance throughout the global

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pandemic. Moving towards a post-pandemic world, there are many changes happening in employment – whether it is the growing popularity of hybrid work or the increased use of automation. In this age of disruption and uncertainty, it is vital to make the correct decisions in order to navigate our new realities.

## Literature Review

Different scholars have defined HR analytics in various ways and following paragraphs consist of HR analytics definitions given by some scholars and researchers.

**Kirtane (2015)** - HR analytics is an integrated process that improves the individual and organizational performance by assisting to improve the quality of people related decisions. HR analytics mostly depends on statistical tools and analyses and requires high quality data, well-chosen targets, talented analysts, leadership, as well as broad-based agreement that analytics is a legitimate and helpful way to improve performance.

**Dooren, (2012) as in Lochab et al. (2018)** - A methodology for understanding and evaluating the causal relationship between HR practices and organizational performance outcomes (such as customer satisfaction, sales or profit etc.), and for providing legitimate and reliable foundations for human capital decisions for the purpose of influencing the business strategy and performance, by applying statistical techniques and experimental approaches based on metrics of efficiency, effectiveness and impact.

**Jain and Nagar (2015)** - A mixture of quantitative and qualitative data and information that derives important insights which help to support in making decisions by the management.

Vihari and Rao (2013) as in Ben-Gal (2018) - The application of sophisticated data mining and business analytics techniques to the field of HR.

**Kapoor and Sherif (2012)** - HR analytics means managing key HR related data and documents in order to analyze the gathered data using business analytics models and disseminate the analyzed results to decision makers for making appropriate decisions.

**Reddy and Lakshmikeerthi (2017)** - Evidence-based HR (EBHR) is a decision-making process combining critical thinking with the use of the best available scientific evidences and business information. It uses data, analyses and research to understand the connection between people management practices and business outcomes, such as profitability, customer satisfaction and quality.

**Jabir et al. (2019)** - HR analytics is about analyzing and understanding how and why things happen, produces alerts about what the next best action is, and make interpretation about what the best and the worst are that can happen based on the analyzed data.

**Boudreau and Ramstad (2004) as in Levenson (2005)** - HR Analytics is about statistics and research design, but it goes beyond them, to include identifying and articulating meaningful questions, gathering and using appropriate data from within and outside the HR function, setting the appropriate standards for rigor and relevance, and enhancing the analytical competencies of HR throughout the organization.

Bhattacharyya (2017) - The application of analytic logic for the HRM function.

**Kiran et al (2018)** - HR Analytics means providing a data driven framework for solving business problems using existing information to drive new insights. It is about smart decision making, delivered with the combination of software, hardware and methodologies that applies statistical models to work related data, allowing business leaders to optimize human resource management.

Considering the above definitions, HR analytics can be defined “as the application of research designs and advance statistical tools for evaluating HR data to find solutions or to make sustainable decisions relating to HR issues based on evidences for the purpose of supporting in achieving competitive advantage for the organization through resource based view”.

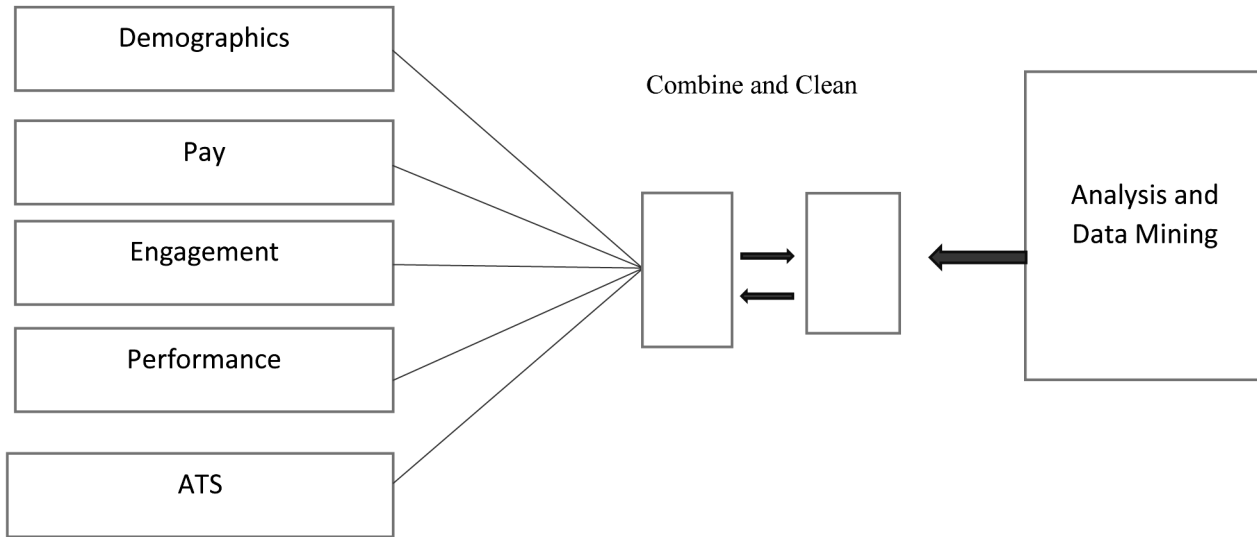
## How HR analytics helps Human Resource Management

In the same way that analytics has revolutionized marketing, HR is being transformed by analytics too. It enables HR to:

- Make better decisions using data
- Create a business case for HR interventions
- Test the effectiveness of these interventions
- Move from an operational partner to a tactical, or even strategic partner

The majority of HR departments just record, and store employee data. This doesn't suffice in today's data-driven economy. Simply keeping records is often insufficient to add any strategic value. In the words of Carly Fiorina: “The goal is to turn data into information and information into insight”. This also applies to HR. Doing this enables HR to become more involved in decision-making on a strategic level. The graphic below shows how this works in practice.

**Data Driven Decision Making in HR**



**HR analytics shape the business?**

You can imagine that HR data analytics holds enormous value for an organization. These examples are only the beginning. Indeed, analytics enables companies to measure the business impact of people policies.

By applying complex statistical analyses, HR can predict the future of the workforce. This enables managers to measure the financial impact of Human Resource practices. To read more about the tools used for these analyses, check our overview on the top HR analytics tools.

Measuring the impact of HR on bottom-line performance is the “holy grail” of HR data analytics (Lawler III, Levenson & Boudreau, 2004). This is often done by calculating a Return on Investment (ROI). It is the most powerful way for HR to increase its strategic influence.

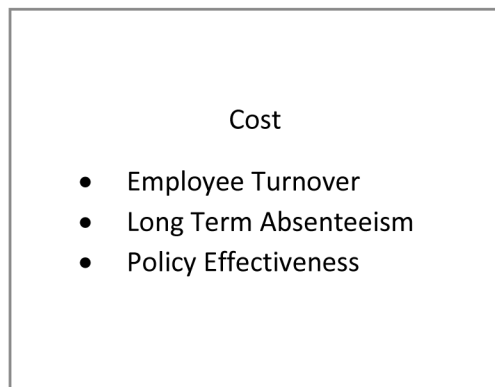
The aforementioned examples have an impact on both the cost and the revenue side of the business. Knowing the impact of HR policies will also help HR to become a strategic partner and get rid of its ‘soft’ image. It helps HR to align its strategy with business goals and to quantify the value it adds to the business. It takes the guess-work out of HR.

**Transforming the World of HR**

HR analytics aim to provide insight into how best to manage employees and reach business goals. Because so much data is available, it is important for HR teams to first identify which data is most relevant, along with how to use it for maximum ROI.

In order to successfully leverage HR analytics, businesses should gather data and then use it for decision-making and process improvement, the same article explains. Now that more businesses realize

**Predictive HR Analytics Topics**



that data helps them hire and retain the right talent, companies are investing in HR analytics tools, along with trained professionals who understand how to mine and apply them. Deloitte reports that, while only 24 percent of companies felt ready for analytics in 2015, that number increased by a third to 32 percent in 2016. The same report notes that modern talent analytics combine data from HR and other business functions to address challenges related to:

- Selecting high-performing job applicants
- Identifying characteristics of high-performing sales and service teams
- Analyzing engagement and culture
- Identifying high-value career paths and leadership candidates

Analytics tools and technology are now more accessible than ever. Companies can purchase analytics solutions off the shelf and adopt integrated, cloud-based HR systems easily. This puts integrated HR data within reach for both small and large businesses. However, it is important to note that those at the forefront of HR analytics go beyond simply utilizing tools. Forbes points out that leading companies invest in sound data management, building strong relationships with finance and operational analytics teams, communications and other “critical” skills. A multidisciplinary approach to applying HR analytics is the best way to identify and address areas for improvement.

### **Applying HR Analytics in the Workplace**

HR analytics can help businesses make smarter decisions in areas such as the following:

#### **Turnover**

Utilizing data enables HR teams to predict the risk of turnover by function, location, and position. In addition, trained analytics professionals can use HR analytics as a method of “modeling the scenarios in advance to reduce the losses.”

#### **Retention**

HR analytics can identify where the highest risk of turnover is, along with which individual employees are at risk. This information is useful because it arms HR professionals with knowledge related to resource allocation and training.

#### **Risk**

Analyzing data can aid in building profiles concerning “which candidates are at risk for leaving prematurely and when” as well as likelihood of decreased performance.

### **Talent**

In terms of new hires, HR analytics can identify which new hires will be high performers. This information helps determine “if they should be shifted into fast-track programs.”

### **Future casting**

Among the most valuable applications of HR analytics is modeling the changes that may be in the company’s future. HR teams can identify “what the impact of talent hiring, retention and engagement could be.”

Of course, there are other ways to apply HR analytics in the workplace. Teams can better allocate resources to the talent pool such as cost per hire, revenue and expense per employee, Startup Focus says. Data analysis can help define retention and hiring plans as well. In general, predictive analytics can identify common factors and important patterns. HR professionals can then make informed recommendations in terms of policies and decisions that may affect company culture.

### **Analytics Challenges and Opportunities**

It is important to note that access to analytics is only the first step when it comes to leveraging data to improve company policies and practices. As Deloitte points out, “The real value is in turning these insights into change that delivers business value. The hardest part of people analytics is implementing the changes recommended by the models, which call for people analytics to be accompanied by sound change management practices.” This is where trained HR professionals come in.

Experts say the current trend toward HR analytics will continue to grow, with analytics playing a central role in talent acquisition, development, and operations. HR teams have the opportunity to “show the value and ROI that investment in analytics can bring, which will result in a willingness to invest further and spur acceleration in analytics capabilities,” Deloitte says.

Stakeholders should invest in integrated analytics capabilities as a way to make the most of human capital and employee performance. Especially as recruiting becomes more competitive and organizations continue to seek top talent, HR professionals will remain “part of the core management team,” Fast Company says. When HR teams are able to take advantage of the numerous insights technology has to offer, they can gather the information that is crucial for ongoing success.

## Conclusions

HR Analytics is an emerging discipline that enables HR to fulfill the promise of becoming a true strategic partner (Levenson, 2005). Analytics can enhance the power of data enabling HR professionals to integrate their knowledge with these data to take appropriate actions while helping them in making predictions about future (Bhattacharyya, 2017). Analytics ensures that insights from HR data provide legitimate and reliable foundations for intelligent human capital decisions emphasizing that analytics is an essential addition to deep and rigorous logic for an effective measurement system (Reddy and Lakshmikeerthi, 2017).

HR analytics is more important as it improves the performance of the employees, improves ROI of human resources, provides opportunity to assess how employees contribute to the organization, forecasts workforce requirements and determines the best ways to fill the vacant positions, links workforce utilization to strategic and financial goals to improve business performance etc.

It provides statistically valid information and evidences that can be used in the process of creating new HR decisions during the implementation of existing HR strategies and other measures. The relationship between human resource analytics and the role it plays in improving strategic value of HR is positive and considerably high. Business understanding, data gathering and mining skills, analytical skills, communication and presentation skills etc. are crucial for any HR professional who intends to execute HR analytics.

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# HAPPINESS AND FLOW : INSIGHTS FROM INDIAN PSYCHOLOGY

Manu Chauhan \*

***Abstract:** Happiness is probably the most sought after asset of human life. We generally tend to believe that life comes with only snippets of happiness but we all have at some point or the other realized a simple truth about happiness that we ought to create happiness in our lives instead of passively waiting for it to come our way. Sigmund Freud (1901) introduced the idea of Happiness in psychology when he talk about hedonism highlighting the animalistic nature of human being. The rise of the humanistic school brought some respect back but it was positive psychology which brought back the focus on this important part of human existence. In this paper we attempt to highlight some important aspects of Indian psychology which can help in widening the scope of the construct. According to Indian psychology, the journey towards lasting and true happiness can possibly begin with the genuine acceptance of all that comes with being human and by understanding our true nature,*

***Keywords:** Happiness, flow, Indian psychology, Triguna theory.*

## Introduction

Positive psychology is a relatively new school of psychology as it started only about 20 years ago and owes mostly to the work of the Professor Martin Seligman at the turn of the century. According to professor Seligman, until very recently psychology and psychiatry were concerned with maladaptive behavior and sick people, who are suffering and its focus was on how to make them better (2000). Seligman is not happy with this restrictive approach and he envisages a psychology of human strength. His ideas are inspired by the humanistic movement started by Abraham Maslow, Rollo May and Carl Rogers during the 1960s who encourages an emphasis on human virtues and strengths like happiness, well being and meaning in life, thus creating the foundation for what is now known as positive psychology. The study of happiness is a central focus of positive psychology. Similarly one of the core endeavors of Indian psychology and thought is the complete cessation of suffering and attainment of ultimate bliss and human happiness. So we can see the congruence between positive psychology and Indian psychology.

According to Martin Seligman, human happiness is a function of three factors which he identifies as pleasure, engagement and meaning. but these factors are not equal in intensity and duration. Pleasure is what we would normally turn to when we want happiness so you want some positive emotion so we had a cup of nice coffee or you eat something nice, you go out with friends and you watch a movie. All of this comes under pleasure and this is what we normally turned to for happiness. According to professor Seligman, it is a mistake because of many reasons; one reason is that such pleasure is ephemeral and transient in nature. Every kind of pleasure known to humanity gives you positive emotions for a while only. It gives you some amount of positive feeling for a while and then it's gone. Another factor professor Seligman mentioned is that it's habit forming in the sense that if it gives you pleasure for some time and that same thing will not give you pleasure after a while you need more of that or a different variety of that so you get satiated. It creates a sort of dependency and addiction. So pleasure does give us happiness but of a low order and very temporary.

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HAPPINESS = PLEASURE + ENGAGEMENT + MEANING

Seligman points out that much more happiness is found in the second factor called engagement. Engagement means when you are absorbed in some activity. It may be your studies, it may be a job, and it may be a hobby. There's a difference between pleasure and hobby; watching a cricket match on the TV is a kind of pleasure while going out and playing cricket is engagement where you are actively involved in something that challenges you and absorbs you and may not be pleasurable a lot of time. For example, the study that a student is doing is not pleasurable but it contributes to his happiness. A classic experiment highlighting the role of engagement was conducted way back in 1930 in schools in America. In this experiment if students in class behaved well they would be rewarded with more homework while if they were unruly they would be allowed to go out and play. Interestingly It was found that for first few days all kids wanted to go out and play. But within a week almost all of the kids didn't want to go out and play; they wanted to do something with drawing or mathematics or study their favorite subjects. The study shows something very interesting that we need some kind of engagement, some kind of challenge in our lives. So, engagement gives a lot of happiness in fact more happiness than pleasure which is proved by the study where children were offered a choice between engagement and pleasure. at first they took pleasure after very soon they wanted some kind of engagement.

Moving further, Seligman says even more than engagement, much more happiness comes from what he calls meaning. Meaning in life refers to the purpose in life whose one characteristic is that it's bigger than the self. Usually pleasure is all about oneself; engagement is more or less about oneself and interaction with others, whereas meaning is usually about others. it may not necessarily be other human beings. it may simply be for the sake of science or music or art. So meaning gives much more happiness than leisure and engagement though most people do not have that kind of meaning in life. Most people are searching for meaning in their lives. Seligman recommends that one should try to have that meaning and engagement component as much as possible for lasting satisfaction with our lives.

Indian perspective though agreeing with positive psychology on most of its ideas about human nature but at the same time claims that there's a problem with this concept. Indian psychology view of human goals i.e. what people want in life goals comes under

these four purusharthas: Kama, Artha Dharma and Moksha. These are words which are familiar to most Indians who often have the wrong understanding that these are goals set forth by scriptures for human beings that we should pursue. This is not a question of pursuing or not. It is basically a list of things which people actually want in their life. One striking thing is that these purusharthas beautiful maps on to the Seligman equation of happiness. Kama refers to desire for pleasure and thus karma immediately matches the pleasure. Artha in reality means wealth, power, achievement and status; all the things which one want in life and we attain them with engagement to a great extent. Dharma is a term which means religion, morality, duty etc it can be mapped onto meaning in life. Dharma is doing something for others by being religious or by being moral or by being of service to others. But the last purushartha moksha or spirituality that is not included in the equation of happiness.

HAPPINESS = PLEASURE + ENGAGEMENT + MEANING ----  
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PURUSHARTHAS = KAMA + ARTHA + DHARMA + MOKSHA

The problem with this is that the way we look at doing good to others, being of service or any kind of meaning producing activity is that it is not pleasurable in immediate context, it requires one to sacrifice time, money and comfort. German philosopher Kant put it very clearly when he said that moral action is something that is done only for duty. If you do it because you like it, then it's not moral, you're doing it because you like it, you're not doing it out of duty. If you do something which you like and so that you are doing for your own pleasure, for your own happiness that is not morality. Here one can find a big clash between the moralities of duty versus pleasure. If we refer back to the equation we will see that pleasure and meaning seem to be pulling in different directions. so it's as if for getting a meaningful life one have to give up the pleasures.

And actually when you see the lives of great people like Gandhiji or Mother Teresa or Vivekananda, they seem to have given up most pleasures in life and have a very meaningful life. So it appears that they've got very meaningful lives but they're not having fun. This idea somehow stops people from pursuing meaningful life. According to Indian psychology, this is the problem in this conceptualization.

In this context the work of famous Harvard psychologist Tal Ben-Shahar (2007,2009) is worth

deliberating. According to him, this whole idea that success will lead to happiness is the root of the problem. He argues that happiness is success. According to him, basically one’s approach to life has four possibilities. One chooses predominantly one or the other but at different times in our lives we go through all of these foods. The second quadrant up to the right is hedonism is like junk food which is very tasty now but unhealthy in the long run. Hedonism is pleasure oriented and one go far present benefit and future detriment.

**Figure 1 :** The food Model of Happiness (Tal Ben-Shahar (2007)

PRESENT/ FUTURE	DETRIMENTAL	BENEFICIAL
DETRIMENTAL	NIHILISM STALE FOOD (Unhealthy and poor taste)	HEDONISM JUNK FOOD (Unhealthy but Tasty)
BENEFICIAL	RAT RACE HEALTHY FOOD (Healthy but Tasteless)	HAPPINESS IDEAL FOOD (Healthy and tasty)

The opposite quadrant represents future benefit but present detriment like tasteless health food. These people go from one goal to another goal all in the future and even get those benefits but this is important at no point in time are they happy, not before and not now and have the idea of happiness will arrive at some point in future. Its like a rat race and the problem with the right race is that if even if you win the rat race you still a rat.

The first quadrant is the worst and includes nihilist like stale food with tastes bad and it’s unhealthy. In the same way there are people who are unhappy at present and they have no particular goal. For a large number of people it happens often at mid career that they realized that they are not happy and also realized nothing really great is going to happen in life anymore. For them today is not good and tomorrow looks worse. Seligman refers it as a kind of learned helplessness.

Tal Ben-Shahar points out that all of these the nihilist, the rat racer and the hedonist all of them have made a conceptual mistake of thinking that they can either be happy now or in future but not in both places. The right approach is to seek how one can be happy now and in the future. This is the approach of fourth quadrant people, the tasty healthy food. Tal Ben-Shahar refers to it as Happiness model.

Indian psychology talks about three qualities or

basic constituents of humans: Sattva . Rajas and Tamas (Misra, 2010). Tamas is the quality of darkness, heaviness, laziness and inertia. Rajas is the quality of dynamism, desire and activity. Sattva is the quality of lightness, peace, serenity and calm. Now if we compare these trigunas with Tal Ben-Shahar classification we will find the nihilist will immediately fit into the Tamas model. A Tamsic is prone to laziness, depression, darkness in life. the hedonistic model and the rat racer would come somewhere between the Rajsik category where they want pleasure and if they have some self control they can sacrifice present happiness and work hard towards that and become a right racer and if there’s less self control but they go for immediate benefit but sacrifices future benefits. Whereas the happiness model would correspond to the Sattvik person who knows what is good for himself or herself and for others. what is good now and in the future and has managed to get in the habit of enjoying the healthy food not in the sense that it will make me happy later.

Now relating it to the idea of helping others as meaning in life. we help others because we like it not because we feel we should. Once professor Seligman, as part of an interesting study, announced in his class that students won’t have a class today and all will go to the movies. Students were happy they went out to the movies. When they came back they were asked to fill up this questionnaire asking to simply rate the happiness they got from this movie on a scale of 1 to 5. Next week again he canceled the class and take the students out to the east side of town Where there are poor kids and distributed clothes and toys and spend the afternoon with those kids. Again when they came back professor Seligman asked them to fill up this questionnaire asking to simply rate the happiness they got from this trip on a scale of 1 to 5. In the second part of the study six months later suddenly in the class he came and said six months ago you saw a movie. Rate how much happiness it gives you now six months later. some of them couldn’t remember the name of the movie and most of them give rating which is 2-3 point below the first dataset. Whereas when they were asked to rate the trip where they went out and made friends with those kids and gave just about the same rating that given on the first date set. The study reveals that when you do something for others, expand beyond the self, giving your time, money, comfort yet that gives you happiness.

The study also highlight that whatever you have is a power which you can use for others and that gives you happiness. Obviously when you help others you



feel happier when you feel happier you feel inclined to help others and unhappy person is less likely to be benevolent ( Seligman,2002). According to Emerson (2007) one of the most beautiful compensations of this life is that no man can sincerely try to help another without helping himself in the sense at least that you are happier

Another noteworthy psychologist is Csikszentmihalyi, (1990) who worked in the general area of happiness and he studied what is called 'peak' experience or 'Flow' experiences by interviewing people from different walks. According to him, flow is a function of challenge and ability. if there was a match between the challenging work and your skills you would find it's happening. The task is pushing you to the limit but you are able to do it when you are pushed to the limit but you're able to do it and you feel a peculiar kind of joy come. In flow experiences there is no cognitive capacity left over for thinking anything else because the work at hand is very challenging and you are fully engrossed in the task. If the challenge is too much it leads to stress, anxiety and fear. if the challenge is too little it leads to boredom. If the workload is too much and pressure is too much leading to stress, he suggests simplifying the work and reducing the challenge and finding out methods of building up skills so that challenge can be met and one can get back into the flow channel. if one don't have enough challenge increase the challenge

A very interesting experiment was performed in Stanford in which students were asked to read the parable of the Good Samaritan. They were asked to prepare a lecture on this and they were told in the next hall across the lawn there is an audience of school kids and you have to go and give a lecture on Good Samaritan. When this person would go across the lawn to the next hall, in the middle of the lawn there would be a person who'd be sitting like he is having a severe stomach ache. It was observed who helped the person and who didn't. It was found many of them would not stop to help the sick person. Only a few participants attempt to help the sick. The difference between the two can be attributed to the single fact that who was paying attention and who was not paying attention. the moment we pay attention to the suffering of another person most of us will feel sympathy and we help. According to neuroscience this is the work of mirror neurons so actually there's a neural correlate to the feeling of sympathy. We are biologically wired to sympathize and help. But even in this case attention is the determining factor Csikszentmihalyi,(1994). Helping others requires attention more than modern moral science lessons.

What our children need is an example and the scope of paying attention to the suffering of others.

In searching for meaning in life one also needs to make a distinction between intrinsic motivation and milestone motivation. One needs to find something that gives happiness now and also happiness in the future. Something that is helpful for others and one like it also. Whether one achieves something in the future or not it's not important and neither determines present happiness or future happiness. The idea is to do something wonderful and great not because of what's going to come at the end but because I like it. In this backdrop there is a great deal of congruence between positive psychology thinking and the four types of Yoga : Karma yoga, Bhakti yoga, Dhyana yoga and Jnana yoga as approaches to finding meaning in life. These four approaches provide qualitatively different ways to find meaning and true happiness in life.

As Indian psychology views man as a Biopsychosocial-spiritual being and also affirms the distinction between Body- Mind-consciousness, one central difference emerges in relation to positive psychology. Karma yoga says that unselfishness will make you happy just like what we have discussed about, but it says unselfish service of God in humanity and introduced something transcendental which positive psychology never talks about. If you go to Bhakti yoga, love will make you happy but very clearly love of God. Dhyana yoga says that concentration will make you happy but concentration on the atman or self is introduced as a transcendental aspect. Csikszentmihalyi,(1990) in his book "Flow" commented, "I have scanned I've gone through the literature ancient and modern literature of the world looking for these flow experiences and I can say that the most sophisticated method of obtaining flow experience is the ancient Indian method of Patanjali Yoga." He further point out that it appears as if those ancient people very well understood this concept of flow and designed a systematic method to attain flow. So the eight steps of Yoga are for spiritual realization. Finally Jnana yoga leads to the discrimination between what is real and unreal one have to concentrate on Brahman. So all the yogas have a strong transcendental factor there, not just secular like positive psychology.

What you are really you're perfect you're existence consciousness place whether you know it or not would you agree or not right now you are back on with their anthem tries to show you how you are that and that's what we'll try to see tomorrow and day after will be filled with antique classes positive psychology will be kept outside the door tomorrow

so how are you perfect right now how are you existence consciousness place right now he said that's what you are if that's what you want then what about this life you have a body of a mind your presence in society what about this life he says this life was given. Indian psychology views individual as Sat-chit-ananda. It focuses more on the spiritual self realization of one as pure consciousness whose very nature is bliss. In this regard Indian psychology can broaden our understanding of human nature and strengths and can provide valuable insights for leading a meaningful life.

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# AN ANALYSIS OF INDIA'S ECONOMIC POLICY RESPONSE TO COMBAT COVID-19

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**Abstract:** The Novel Coronavirus pandemic has intensely impacted the financial system and made lives vulnerable especially for the low-income groups. The deep distress of losing family members, employment, home have left people destitute. Government of all nations took number of measures to save their nation and provide aid to their citizens, various sectors and other countries as well. Government of India along with Reserve Bank of India approached first those sectors who have more potential to grow like MSMEs, NBFCs, Agriculture, Health, Retail sector, Infrastructure sector, Distribution Companies (DISCOMs), MNREGS etc. through the initiative to make India an 'Atmanirbhar Bharat', a self-reliant Economy. Numerous Monetary & Fiscal measures have announced in F.Y. 2020-21 & 2021-22 to save the nation and economy. The basic rationale behind all the stimulus measures was to alleviate COVID-19's repercussions and improve long term sustainability. Prime Minister of India Mr. Narendra Modi endeavour to make India self-sufficient country in every aspect and capture the place of China in global supply chain.

**KEYWORDS:** Atmanirbhar Bharat, Self-Reliance, Stimulus Packages, Fiscal measures, Monetary Measures

## Introduction

A Crisis Like No Other (IMF Annual Report, 2020), the world's worst recession after the Great Depression, The Pandemic Coronavirus 2019 (COVID-19) spreads as an infectious disease by the SARS-CoV-2 virus (severe acute respiratory syndrome) was firstly detected in Wuhan city, China to the entire globe in very less time. The virus reached to every corner of the world very rapidly and shaken the world's economic fiber very adversely. World Health Organization declared this pandemic as Public Health Emergency for the whole world on 30th January, 2020 and from then, this pandemic seems to have had a very significant impact on lives and over 4.6 million deaths were

recorded worldwide till September, 2021. On the 30th January, 2020, the very first covid-19 case in India was recorded and reported more than 442 thousand deaths till September, 2021 ranked second just after USA. COVID-19 seems to have had a deep impact on World Economy, witnessed a significant decline of -17.19% in GDP Growth Rate in the year 2020, as per the IMF Annual Report, 2020. The whole world has experienced the unprecedented shock of economic collapse. Countless individuals have died and lost livelihoods, jobs, source of income and savings. Poor and Labor section faced their worst by becoming unemployed and helpless as they could unable to pay their rents and grocery, electricity & water bills due to which they were homeless

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and even died because of hunger on roads. To save their nations, Government had left with none but just one option of imposing the full national lockdown. Till now, India has faced two severe waves of the covid-19 pandemic & faced the short supply of Oxygen Cylinders, ICU Beds, Ventilators, Medicines, Injections etc. Many have lost their loved ones while waiting in hospital admission queues. They were helpless in these vulnerable conditions. Oxygen plants have been set up, schools, hotels, community grounds, banquets have been converted into emergency hospital, doctors were working with sleepless nights when the situation gone out of control in the month of May, 2021. Manufacturing, Industry, Construction, Aviation, Hotels & Tourism, Education, Service and various other sectors have faced their severe time and due to the heavy burden of cost made them to close their business. Vaccination took time to receive the approval but from January 3, 2021, domestically produced India's Central Drugs Standard Control Organization (CDSCO) allowed the Emergency Use Authorization (EUA) of the vaccine AstraZeneca's manufactured Covishield and Bharat Biotech's Covaxin. On January 11th, 2021, PM Modi gave his authorization to start the vaccination campaign for 45 years+ aged people from January 16th and 18 years+ from 1st May, 2021.

To returning the economy to its former glory and tackle the prevalent emergency, GoI and RBI has taken number of steps and announced various monetary & fiscal Stimulus Packages time to time and keep financial system, financial intermediaries and financial market sound, liquid and operating smoothly. RBI took various liquidity measures to save the economy of India. Government of India and RBI together announced a sum of over the INR 33 lakh crores in various parts and schemes till mid of 2021. Government majorly calls for structuring a self-reliant India so to decrease the reliance on imports and diversifying industrial Structure. On 12 May, 2020, PM Narendra Modi urged the nation to launch the Atmanirbhar Bharat Abhiyaan (Self-Reliant India Campaign) to transform India in a self-regulating and self-reliant nation. This involves a special economic & an inclusive stimulus package which overall brings INR 20 lakhs crore (USD 266 billion) almost equivalent to 10 percent of India's GDP and based on five pillars- Economy, Infrastructure, Vibrant Demography, System and Demand.

### Theoretical Framework

The study involves the analysis of government

announced various stimulus methods to combat the pandemic's problems. Government has unveiled a number of revival packages within a single framework of leading India towards a self-reliant Economy. Through Self-reliant India, made in India, Atmanirbhar Bharat and Self-sufficient India, Hon'ble PM Narendra Modi actually brings new vibes in the entire business community especially MSMEs and smaller firms.

There was a great example showcased by support of Self-Reliant India initiative when the pandemic of Covid-19 started in March 2020, India was able to manufacture and supply huge quantities of Hydroxychloroquine and paracetamol medicines to over 120 countries. Where around 40 countries had received these Indian pharmaceuticals as a grant. This commendable initiative in the midst of such crucial time was praised by many governments.

Due to Self-reliant India Mission, India is now able to support local manufacturers to become self-sufficient by manufacturing medical equipment and health sector by producing PPE Kits, masks, medicines and ventilators. PPE Kits manufacturing expanded from almost non-existent to world's second largest local producer. Today, there are approximately 1600 labs for Covid-19 testing in India, conducting more than a million tests every day and vaccinating around 15 MN Indians every day.

### Review of Literature

Stakeholders have positive perception about the stimulus measures in terms of fiscal & monetary policies acknowledged by the GoI for economic revival was hypothesized by constructing five constructs monetary policy, labor and land law, taxation and subsidies, general business climate, employee and customer-related monetary & fiscal stimulus measures (Prusty S. et al, 2021). The stimulus packages' effectiveness and skepticism announced by the GOI was analyzed and the causes of the fiscal conservativeness linked with the India's two shortfalls in the fiscal & current accounts was discussed in the study of (H. S. Chakrabarty et al., 2021). Major destructions were caused due to Government failures and not because of the disease stated by the study of (Ghosh J., 2020). She has pointed ten Government failures- Inadequate Investments, delayed responses, excessive centralizations, inadequate Govt. Spending, inflated declarations of the packages, privatization of the State assets, regulations relaxations in concern to land, labor and environment, suppression of democratic rights, inequalities based on class, caste, gender and an

overemphasis on liquidity metrics (Ghosh J., 2020). In his article to discover the preliminary impact of pandemic and government response, the author has concluded that because of the accumulation of excessive debts, Liquidity measures is the primary response of the governments and thus, announced fiscal measures only in vulnerable conditions (Jose J., et al, 2021). The Indian Economy and Human life got the negative impacts because of the pandemic COVID-19, while, the Environment got an immensely positive impacts when measured on the various factors and scale (Ghosh A., et al, 2020). With the losing trust of multinationals in China, India has a very big opportunity to share in supply chains throughout the world and become more inclusive by Make in India scheme adoption (Chaudhary, M., et al., 2020). Positive outcomes have recorded with the monetary and approach for managing cash flow of the much-enhanced government borrowings at low cost & corporate bonds market have responded greater than in the last year because of the low cost (Mohan R., 2021).

Only a few studies have been published vis-à-vis the stimulus packages and reliefs till now. Few have claimed these schemes lead a positive outcome while few of them has proved that the announcements have gone in wrong direction. Here, in this study, the analysis of government's stimulus packages is done.

### Research Methodology

By using the high-frequency fiscal and economic indicators, the article analyzed the secondary data of Central Government and Central Bank announced various stimulus packages time-to-time for revitalization of Indian Economy and citizens well-being. Further, the study uses the reliable data from published reports, sources and news by Government, RBI, MOSPI, National Accounts Statistics, Ministry of Commerce, Ministry of MSMEs, IMF, World Bank etc. to showcase the monetary & fiscal measures at the national level as a because of the pandemic. The data of all stimulus measures policy responses as part of Atmanirbhar Bharat to the Covid-19, proclaimed by the GOI and RBI, issued in 8 parts and 3.0 packages has taken and analyzed from website of Ministry of Finance Press Release Pages (pib.gov.in). A descriptive analysis will be done for all announced measures & the stimulus packages through this study.

### The Response of India's Economic Policy to Covid-19

In co-operation with RBI, Govt. of India had

implemented a judicious combination of various Monetary & Fiscal policies to recuperate the economy & people's well-being. Through the Fiscal & all other relief measures, Prime Minister and Central Government calls for building a self-reliant India, Atmanirbhar Bharat. Under the chairmanship of Finance Minister, the COVID-19 Economic Response Task Force was set up on 12th March 2020 to face the unforeseen impacts that can arise in India. After the revenue loss of INR 7,800 crores because of tax concessions since March 22, 2020, the India's Finance Minister proclaimed Rs 1.70 crores relief package as part of PM Garib Kalyan Yojana effected onwards 26th March 2020 in favor of the poor people to help and support them fighting against coronavirus. Its goal was to connect to the lowest by providing them with the food and money in hand for buying essential supplies and fulfilling essential needs. A package for Covid-19 Emergencies & Health System Preparedness would cost Rs 15,000 crores. On April 09, 2020 (sanctioned by the GoI) to control the virus from spreading in India through the development of diagnostics, timely finding of essential medical equipment, providing dedicated treatment facilities and overall strengthening and preparing Indian Health Care System for current and future outcomes of the pandemic.

On 12th May 2020, Hon'ble Prime Minister of India, Shri Narendra Modi promised measures to provide relief and credit support to businesses, particularly SMEs, in order to aid India's economic war against Covid-19 popularly known as 'Atmanirbhar Bharat Abhiyan'. To make the nation self-sufficient, this proposal involved an overall economic stimulus package worth more than Rs twenty lakh crores which was claimed to be 10% of India's GDP in 2019-20. The basic purpose was to boycott Chinese products and increase the global supply chain that helps in empowering India's economy. The comprehensive stimulus package under this Atmanirbhar Bharat Abhiyan was declared by PM in 8 parts covering the incentives for different sectors. On 13th May 2020, under the Atmanirbhar Bharat Package 1.0 (Part 1), the Govt. has given a total relief of INR 5,94,250 crores. It provides working capital for businesses in the event of an emergency including MSMEs valued Rs. 3,00,000 crore, subordinate debt for MSMEs worth Rs. 20,000 crore, equity infusions through MSME fund of funds for a sum of Rs. 50,000 crore, special liquidity structure for NBFC/HFC/MFIs worth Rs. 30,000 crores, scheme for partial credit guarantee 2.0 for discharging the liabilities of NBFC/MFIs worth Rs. 45,000 crore, liquidity injections for distribution companies (DISCOMs)

worth Rs. 90,000 crores, decrease in TDS/TCS rates worth Rs. 50,000 crore, provident fund facility for businesses and organized workers worth Rs. 2,500 crores and decrease in EPF rates worth Rs. 6,750 crores.

The slogans that initiated under this mission was like “vocal for local”, “make for world”, “brain drain to brain gain”, “local for global”. On May 14, 2020, in the Part-2 of Stimulus Packages, The India’s Finance Minister declared a total amount of Rs. 3,16,000 crores for long-term and short-term measures for providing help to the workers. The goal was to offer a help & support to the poor people regarding food grains, affordable housing, rental housing, credit facility etc. It includes free food and essentials supply to migrants worth Rs. 3,500 crores, Mudra shishu loans are eligible for a two-month subsidy worth Rs. 1,500 crores, credit facility to street vendors worth Rs. 5,000 crores, housing by an extension of the scheme of Credit Linked Subsidy for MIG citizens as per PM Awaas Yojana (urban) worth Rs. 70,000 crores, an additional emergency working capital through NABARD worth Rs. 30,000 crores, supplementary credit Kisan Credit Card Scheme worth Rs. 2,00,000 crores and creating more jobs using Compensatory Afforestation Management & Planning Authority (CAMPA) worth Rs. 6,000 crores. On May 15, 2020, The India’s Finance Minister took measures in Part-3 and a total amount of INR 163,343 crores were put out to strengthen Agricultural Infrastructure, Capacity Building, Governance, Logistics Agriculture, Fisheries, & Food Processing Sector Administrative Reforms. It contains an endowment for farm-gate infrastructure called the Agri Infrastructure Fund for farmers worth Rs. 100000 crores, enactment of scheme Micro Food Enterprises (MFE) worth INR 10,000 crores, Pradhan Mantri Matsya Sampada Yojana (PMMSY) worth INR 20,000 crore, Top to Total: Initiative Operation green worth INR 500 crores, fund for Animal Husbandry Infrastructure Development worth INR 15,000 crore, to promote the Herbal Cultivation: budget of INR 4,000 crores, Beekeeping initiatives worth INR 500 crore and a program National Animal Disease Control worth INR 13,343 crore.

On May 16, 2020, Finance Minister declared Stimulus Package Part-4 for new economic frontiers; structural improvements in eight sectors to make Atmanirbhar Bharat a reality worth INR 58,100 crore. It includes viability gap funding worth INR 8100 crore and Infrastructure development for removal of Enhanced CIL worth INR 50,000 crore. On May 17, 2020, the stimulus package put out by the India’s Finance

Minister in Part-5 for the sum of INR 40,000 crore for seven sectoral reforms under Atmanirbhar Bharat Scheme. It includes an additional amount allocated to MGNREGS worth INR 40,000 crore to provide lift to the employment. It aims at generating more work for returning migrant laborers in Monsoon season. It will also help in creating durable and livelihood assets which will help in improving rural economy through higher production. The Government has proclaimed Atmanirbhar Bharat Package 2.0, Part-6 worth INR 48,575 crore on 12th October, 2020 as an additional funding on following was announced including One-time payment of Special Festive Advance Scheme (SFAS expected) worth INR 4,000 crore, Special interest free loan for 50 years to state for their capital expenditure worth INR 12,000 crores, Additional Budget for capital expenditure worth Rs. 25,000 crores and Cash payment & leave encashment instead of one LTC during 2018-21 worth INR 7,575 crores. On 12th November, 2020, the India’s Finance Minister declared Atmanirbhar Bharat Package 3.0, Part-7 worth INR 2,59,100 crore for additional measures under which a new Scheme was bring out called Atmanirbhar Bharat Rozgar Yojana. It includes an additional expenditure of PM Awaas Yojana (urban) worth Rs. 18,000 crores, an additional expense for PM Garib Kalyan Rozgar Yojana worth Rs. 10,000 crores, product linked incentive scheme to 10 champion sectors worth Rs. 1,46,000 crores.

The National Investment and Infrastructure Fund has made an equity investing in the debt platform worth INR 6,000 crores, subsidised fertilizers for support of Agriculture worth Rs. 65,000 crores to boost export project given as an aid by India to developing countries worth INR 3,000 crores, Additional Budget stimulus for capital & industrial expenditure worth Rs. 10,200 crores and provision for R&D of COVID Vaccine to Dept. of Biotechnology worth Rs. 900 crores. On June 28 2021, the India’s Finance Minister put out Part-8 of stimulus packages worth total of INR 8,42,620 crore which includes bundle of assistance of INR 6,28,993 crore in order to aid India’s economy to vanquish the COVID-19 pandemic. It had three broad categories consisting of Economic Relief from Pandemic including additional credit to Loan Guarantee Scheme for the virus affected sectors worth INR 1,10,000, expansion of Emergency Credit Line Guarantee Scheme (ECLGS) worth INR 1,50,000, a new scheme plan for Micro Finance Institutions (MFIs) – a Credit Guarantee Scheme bring out to benefit to small borrowers worth INR 7,500 crores, one month free tourist visa to five lakh tourists worth INR 100 crores help to enhance

the tourist industry.

For DAP and P&K fertilisers, farmers will receive an additional subsidy worth INR 14,775 crores. From May through November 2021, the Pradhan Mantri Garib Kalyan Yojana (PMGKY) will provide free food grains (estimated) worth INR 93,869 crores, Strengthen Public Health including outlay for Public health with prominence on children and paediatric care/beds (strengthening the public health infrastructure & human resources) on viability basis focussing on preparing for short-term emergencies worth INR 23,200. The government has devoted special emphasis to providing an incentive for growth and jobs including Revival package to North Eastern Regional Agricultural Marketing Corporation (NERAMAC) worth INR 77.45 crores. The National Export Insurance Account provides a boost to project exports worth INR 33,000 crores, Boost to Export Insurance Cover (infuse equity in ECGC) worth INR 88,000, an additional outlay worth Rs. Rs. 19,041 crores under Digital India: Bharat Net PPP Mode for Broadband Access to Every Village to unable upgradation and growth of Bharat Net, and Reform-Based scheme Result-Linked Power Distribution worth INR 3,03,058 crores to provide monetary aid to DISCOMS.

Reserve Bank of India has also adopted a number of actions from March 2020 to ensure viable liquidity flow in the economy to fight covid-19 and thus Repo rates were cut by 115 while the reverse repo rate by 155 basis points, that is, to 4.0 and 3.35 percent respectively. It increased the SLR rate from 2% to 3% and cut the CRR by 100 basis points (3 percent of Net Demand and Time Liabilities) to boost the liquidity of banks to around INR 1.37 lakh crore. RBI has proclaimed the auction of targeted term repos in corporate bonds of investment grade of about INR 1 lakh crore, CPs, non-convertible debentures for fresh deployment. RBI ease financial stress, strengthen credit discipline, secure digital payments, smooth flow of loan, facilitate innovations to enhance liquidity support across the financial sector and stakeholders. It announced Targeted Long Term Repo Operations (TLTRO) for INR 1,50,050 crore has been scheduled for certain investments like grade bonds, non-convertible debentures including NBFCs, commercial papers, Microfinance institutions. Special Liquidity Facility (SLF) worth INR 50,000 crores for mutual funds liquidity support, Special Refinance Facility (SRF) for SIDBI, NABARD and NHB of INR 50,000 crores were provided. On several rated products, SEBI temporarily reduced the debt default requirements and the minimum duration

of listing the shares and the requisite average market capitalization were both decreased. The Reserve Bank of India assists state governments with short-term financial requirements and has loosened export repatriation rules. It enacted regulations to encourage loan flows to SMEs and the retail sector.

Table 1: Atmanirbhar Bharat Package

MEASURES	Date of Announcement	Rs. (In crores)
Part-1	13.05.2020	5,94,550
Part-2	14.05.2020	3,16,000
Part-3	15.05.2020	1,63,343
Part-4	16.05.2020	58,100
Part-5	17.05.2020	40,000
Part-6	12.10.2020	48,575
Part-7	12.11.2020	2,59,100
Part-8	28.06.2021	8,42,620
	<b>Sub-total</b>	<b>23,22,288</b>
Earlier measures including PMGKY		1,92,800
RBI Measures (Actual)		8,01,603
<b>Sub-total</b>		<b>9,94,403</b>
<b>GRAND TOTAL</b>		<b>33,16,691</b>

The table-1 highlighted above portraying the overall stimulus/measures which the Central Government and Central Bank have taken together under Atmanirbhar Bharat Package. In the war against the deadly pandemic Covid-19, Government imposed to announce full lockdown for the various periods in the Financial Year 2020-21 & 2021-22 to save their peoples, but which resulted into negative GDP and a serious downfall in various sectors. Thus, to revive at least the small and medium enterprises and all three sectors- primary, secondary and tertiary sectors, Government announced Stimulus Package Schemes time to time in 8 Parts and 3.0 Packages. Firstly, the Indian Government has put out Earlier Measures' Stimulus in March and April, 2020 for a total sum of INR 1,92,800. Then, Atmanirbhar Bharat Package 1.0 was issued in Part 1-5 in May, 2020, Atmanirbhar Bharat Package 2.0 (Part 6) in Oct, 2020, Atmanirbhar Bharat Package 3.0 (Part 7 & 8) in Nov, 2020. The sub-total of all stimulus package announced through Part 1-8 is INR 23,22,288. RBI through all its monetary measures and declared package worth INR 8,01,603 kept the economic downturn.

## Conclusion

Through overall stimulus packages in 8 Parts and 3.0

Packages, Government of India has put out a total sum of INR 23,22,288 crores in the F.Y. 2020-21 & 2021-22 and majorly covered the sectors like MSMEs, NBFCs, MNREGS, Retail sector, Agriculture, Health, Distribution Companies, Infrastructure sector, etc. The basic rationale behind all the announcements was to alleviate the COVID-19 and improve long term sustainability, made India self-reliant in all aspects and capture the place of China in global supply chain. Reserve Bank of India also co-operate Government of India and through its Monetary and Liquidity measures and ensured a constant flow of funds and credit in the hard time of the whole world. A total of INR 8,01,603 crore announcements were declared by RBI. CRR, repo & reverse repo rates have been reduced, SLR was increased, open market operations were done, regulatory norms and limits were temporarily relaxed, ease financial stress, loans terms were ease, etc. Through both the Fiscal and Monetary measures, Government worked to revive India's Economy from the challenges posed by COVID-19.

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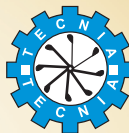
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