

Work Centrality in Relation to Work-Life Balance of Himachal Pradesh Police Personnel

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ABSTRACT

The current study examines the relationship of work centrality with the work-life balance of police personnel. The study further examines the contrarities in the work-life balance of police personnel at different levels of work centrality. The study also attempted to determine whether marital status and gender had any relationship with the work centrality of police personnel. A sample of 781 Non Gazetted Police Officers (NGOs) of Grade-II (Head constables and Constables) was selected in the study. The data subsequently collected have been examined with the help of SPSS 21. The parametric statistics, viz. Pearson correlation coefficient, independent sample t-test, and One-way analysis of variance (ANOVA) were used for the investigation of data. The investigation found a significant correlation between work centrality and work/personal life enhancement and overall work-life balance of police personnel. The investigation reported a considerable association between work centrality and marital status of the police personnel, whereas no relationship was found between work centrality and gender of the police personnel.

Keywords: Work-life balance, work-family conflict, work centrality, police personnel.

INTRODUCTION

Work-life balance (WLB) is an emerging concept, though there is no reasonable agreement on what it actually means. Most definitions do include the proper prioritizing between “work domain”, which includes career and ambition, and “life domain” which include health, pleasure, leisure, family, emotional and spiritual development. Agarwala (2007) describes work life balance as “a meaningful daily achievement and enjoyment in each of the four quadrants of life: work, family, society, and self”. According to Greenhaus et al. (2003), work-family balance is defined as “the extent to which an individual is equally engaged in and equally satisfied with his or her work role and family role”. A balanced life can lead to personal satisfaction in work and home spheres and can develop work satisfaction and life satisfaction among individuals. The satisfaction with work and home can lead to positive health advantages; a mentally and emotionally stable life. Imbalance in work and life spheres can cause stress and illness to an individual. Further, imbalance in work and life can affect others at work (supervisors, co-workers, subordinates) and in the family (spouse, parents, children, and friends).

Walia (2011) argued that work life balance causes both interference of work/personal life as well as enhancement of work/personal life in personal life/work or vice-versa. Based on this, Walia (2011) defines work life balance in the form of three dimensions: a) *Work interference with personal life (WIPL)*. It happens when being extremely engaged in work interferes with an employee’s ability to have balanced personal/home life; b) *Personal life interference with work (PLIW)*. It happens when being extremely engaged in family life interferes with an employee’s ability to have a balanced work-life; c) *Work/personal life enhancement (WPLE)*. It happens when involvement in one role enhances the quality of life in another role.

Work centrality can be described as “individual beliefs regarding the degree of importance that work plays in their lives” (Walsh & Gordon, 2008). In other words, it is the extent to which people regard work as central to their life or sees work as an important aspect of life. Thus, it can be stated that people who give more importance to work, invest their valuable resources of time and energy in work and focus on building a relationship with their organization. Most of the

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people confused work centrality with work or job involvement. The term work or job involvement has been used for defining the need-satisfying potential of a specific job (Rotenberry & Moberg 2007). In this way, work centrality has more scope than job involvement as it reflects the importance of work in general, while the scope of job involvement is related to the current job that an individual has in his present (Bal & Kooij, 2011). In this way, work centrality refers to the degree to which individuals see work as an essential component of their life, job involvement refer to the degree to which individuals are absorbed in their current occupation (Bal & Kooij, 2011). As cited in Snir and Harpaz (2005), two main approaches of work centrality are: a) absolute work centrality which includes a conviction or esteem orientation towards work as a life role. This approach centered around the importance and meaning of work to the individual, but no comparative standards are defined; b) relative work centrality is conclusion orientated which compares the importance of work to other major life areas or roles, such as family, recreation, relations, religion, etc. In the present study, work centrality is considered as “the beliefs that individuals have regarding the degree of importance that work play in their lives” (Paullay et al., 1994).

LITERATURE REVIEW

Work plays a key role in the life of individuals. In today's competition oriented world, people have placed work above all the other pursuits of life viz. leisure, community, relations and religion (Snir & Harpaz, 2002). Kanungo (1982) found a positive relationship between work centrality and job satisfaction. Carlson and Kacmar (2000) observed a significant relationship between job involvement and job satisfaction when individuals give more importance to work than family. However, they reported an insignificant relationship between job involvement and job satisfaction when an individual gives equal importance to both work and family. They further reported that individuals who score high in work centrality valued work over family experienced greater family impedance with work and less family satisfaction from the family-related variables. Consequently, as work is central to their lives, sources of conflict in the family

domain may influence them to spend time and energy in an area where they are not as focused, decreasing satisfaction in that domain. Similarly, those high in family centrality found work time demands and job involvement to have a larger impact on job satisfaction than those who find work more integral to their lives.

Hyman et al. (2003) stated that bureaucratic pressures combined with the absence of work centrality result in work, hindering with a non-work area of employees resulting an imbalance in work and family life. Bal & Kooij (2011) found that the relationship between work centrality and psychological contract were stronger for older workers than for younger workers. They reported that workers with high work centrality were able to build a psychological contract with the organization, which subsequently makes them more satisfied with their job, more engaged in their work and were therefore shown less tendency to quit the job. Gavriloaiei (2016) observed that the individuals who value work as a central part of their life were found more engaged in their work, more satisfied and more likely to show organizational citizenship behaviors (OCBs). Women and senior employees indicated higher levels of work centrality. Work centrality shows organizational citizenship behavior when the age is low or average and self-efficacy level is high. Oguebe, Okeke, Joe-Akunne & Ogochukwu (2014) in their study on work centrality dimension reported that employees who scores high on self-efficacy were found significantly different from employees who scores low on self-efficacy. Further, the study found no major difference in the work centrality of male and female employees.

Lorence (1987) found that male tackle the role of career building and provider for the family economically, while females are generally raised to take on the more family centered roles. Thus, male devotes relatively more resources in developing their career and as a result, their identity as a worker becomes more dominant. Walia (2011) in his study reported that employees with having high work centrality derive more satisfaction in life from work and have their personal life goals work oriented. They show less intrusion of work with personal life and derive energy from work for personal life and thereby

exhibit a high level of work life balance and vice versa. Further, employees who have high work centrality show significantly higher work/personal life enhancement and higher work life balance. Sharma (2017) in her study found that higher work centrality lowers work intrusion with personal life, increases work/personal life enhancement and overall work life balance. Further, the study observed no significant variation in personal life interfere with work among employees at varying levels of work centrality but reported significant variations in the work centrality of employees at varying levels of age. Higher work centrality was found among employees in the higher age group. Sharabia & Harpaz (2010) revealed that expressive work incidents (autonomy, interest, variety and responsibility) increased the work centrality of individuals who come across these incidents; on the contrary, they found that those individuals who did not experience expressive work incidents, there was a decline of work centrality among them. Researchers also expressed that employees who experienced more career development events, e.g., career advancement, promotion and skill enhancement, etc. reported higher work centrality than those who did not experience these career development events.

RESEARCH GAP

A few years ago, it was anticipated that new innovation in information technology would confine the hours of work and bring relief and relaxation to the employees. However, instead of bringing relief and relaxation, the advanced technology has left professionals with hardly few hours free from paid work. Moreover, technology has diminished the line isolating the workplace from home and employees are supposed to be accessible for 24*7*365 a year. Further, because of quickly changing work culture of organizations, organizations are unable to give assured employment and this has resulted changes in the attitudes and commitments of employees towards work. They are less or not willing to display genuine commitments towards the organization and this resulted in the decline of work as a focal life interest along with an imbalance between work and family life seeps in.

Working loads of police personnel are increasing these days owing to the modification of their work role and overwhelming responsibility they endure while dealing with people, anti-social elements, judiciary, human rights and more importantly, with family members, led to higher stress for them. As a result, it has become difficult for them to manage both the work and personal life effectively. Burnett et al. (n.d.) reported that employees who rate work as being central to life face less difficulties in balancing work life and family life than those who rate family as being central to life. Keeping in view this point, the existing studied on work life balance with reference to work centrality is available in very limited numbers in India and specifically in Himachal Pradesh. Hence, through the present study an endeavour has been made to contribute to the work life balance literature by examining the relationship of work life balance (and its dimensions) with the work centrality of the police personnel in the state of Himachal Pradesh. Work centrality examined the degree of importance that the work has in police personnel's life and its role in balancing different domains of life.

OBJECTIVES

- To study the relationship between work centrality and work life balance (and its dimensions) of police personnel of Himachal Pradesh.
- To study the relationship between demographic variables (marital status and gender) and the work centrality of police personnel of Himachal Pradesh.

HYPOTHESIS

H₀₁: There is a significant relationship between work centrality and work-life balance (and its dimensions) of police personnel of Himachal Pradesh.

H₀₂: There is a significant difference in work-life balance (and its dimensions) among police personnel at varied levels of work centrality (i.e. low, average and high work centrality).

H₀₃: There is a significant relationship between marital status and work centrality of police personnel of Himachal Pradesh.



H₀₄: There is a significant difference in the work centrality of single/widowed/ divorced and married police personnel

H₀₅: There is a significant relationship between gender and work centrality of police personnel of Himachal Pradesh.

H₀₆: There is a significant difference in the work centrality of male and female police personnel.

RESEARCH DESIGN

a) Research Methodology: In order to conduct the present study, the exploratory and descriptive research design was adopted. The present study is based on primary data and information was collected from 781 Non-Gazetted Police Personnel (NGOs) of Grade II, i.e., constables and head-constables engaged in various police organizations of Himachal Pradesh. The districts with the maximum number of police personnel, i.e., Shimla, Solan, Kangra and Mandi were selected for the study. Structured questionnaires were distributed among 1045 police personnel of, which 812 questionnaires were returned by the respondents. Out of these 812 questionnaires, 31 questionnaires were omitted for the reasons of incompleteness and irrelevance. 781 were considered for the analysis purpose after the treatment of missing data values, thereby, yielding a response rate of 74.7%. SPSS 21 (Statistical Package for Social Sciences) was used to analyze the data collected from respondents. The various statistical tools viz. Pearson correlation coefficient, t-test and one-way ANOVA were used to analyze the data.

Table 1: Scales used and Cronbach's alpha coefficients for each scale

S. No.	Variable	Scale used	No. of items	Cronbach's alpha coefficients
1.	Work life balance (WLBT)	Hyman, 2005	15	.86
	a. WIPL		7	.86
	b. PLIW		4	.85
	c. WPLE		4	.82
2.	Work Centrality Scale	Paullay et al., 1994	12	.71

b) Tools used: Work-life balance was computed with 15-item scale given by Hayman (2005) to measure three dimensions of work life balance,

namely, work interference with personal life (WIPL), personal life interfere with work (PLIW), and work/personal life enhancement (WPLE). Work Centrality was measured using a 12 item scale given by Paullay et al., (1994). Negative statements were reverse coded.

FINDINGS AND DISCUSSION

a) Relationship between work centrality and work life balance: In order to find the relationship between work centrality and work life balance (and its dimensions) of police personnel, Pearson correlation coefficient was employed and the results are shown in Table 2.

Table 2: Correlation coefficients between work centrality and work-life balance

Work-Life Balance	Correlations
WIPL ¹	.066
PLIW ¹	.016
WPLE	.162**
WLBT	.106**

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

¹Correlation is significant at the 0.05 level (2-tailed)

¹ Higher score means lesser interference.

From the results of table 2, work centrality was observed to be significant and positively correlated with the dimension work/personal life enhancement (WPLE, $r=.162^{**}$, $p<.01$) and with overall work life balance (WLBT, $r=.106^{**}$, $p<.01$). No significant correlation was reported between work centrality and dimensions WIPL ($r=.066$; $p=n.s.$) and PLIW ($r=.016$; $p=n.s.$). Hence, the hypothesis H_{01} is accepted for the dimension work/personal life enhancement and for overall work life balance. However, it is rejected for the dimensions work interference with personal life and personal life interference with work.

b) Work-life balance of police personnel at varied levels of work centrality: In order to determine the differences in work life balance among police personnel at varied levels of work support and spouse support the police personnel were classified into three groups (see table 3) based on the scores obtained in the questionnaire as those with

i) Low work centrality, score $<$ (Mean – 0.5 S.D.)

ii) Average work centrality, score between (Mean

± 0.5 S.D.)

iii) High work centrality, score >(Mean + 0.5 S.D.)

Table 3: Classification of police personnel on the basis of work centrality scores

Variable	Low			Average			High		
	N	%	Mean	N	%	Mean	N	%	Mean
Work Centrality	224	28.7	28.21	313	40.1	35.98	244	31.2	44.09

To test the hypothesis H₀₂, One-way ANOVA was used to find whether there is any significant difference in work life balance and its dimensions among police personnel at low, average and high level of work centrality.

Table 4: Test of homogeneity of variances- Work centrality

Work Life Balance	Levene Statistic	Df1	Df2	Sig.
WIPL	.066	2	778	.936
PLIW	.984	2	778	.374
WPLE	3.119	2	778	.045
WLBT	.417	2	778	.659

Table 4 outlines the results of Levene’s Test of Homogeneity of Variances. The sig. value is greater than 0.05 for the dimensions of WIPL, PLIW and for overall WLBT, supporting the assumption of homogeneity of variance. However the sig. value is less than 0.05 for the dimensions WPLE. This advocated that the homogeneity of variance is not met for these dimensions, therefore, two robust tests (Welch and Brown-Forsythe) were applied that should be accurate when the homogeneity of variance assumption was not supported.

Table 5: Robust tests of equality of means- Work centrality

	Statistic	df1	df2	Sig.
WPLE	Welch	11.487	2	496.628 .001
	Brown-Forsythe	11.643	2	740.175 .001

Table 5 outline the results of robust test of equality of means. The F value for WPLE was observed to be significant (F=11.487, p<0.05). The result implies that there is a significant difference in work/ personal life enhancement among police personnel with low, average and high work centrality.

Table 6: ANOVA table for work life balance of police personnel at varied levels of work centrality

Work Life Balance	Sources of Variance	Sum of Squares	Df	Mean Square	F	Sig.
WIPL	Between Groups	411.093	2	205.546	3.026	.049
	Within Groups	52841.116	778	67.919		
	Total	53252.209	780			
PLIW	Between Groups	9.562	2	4.781	.205	.814
	Within Groups	18101.323	778	23.266		
	Total	18110.886	780			
WLBT	Between groups	1216.955	2	608.478	3.254	.059
	Within Groups	145482.291	778	186.995		
	Total	146699.247	780			

As shown in Table 6, F values were significant on the dimension of WIPL (F=3.026, p<0.05). The result recommended significant differences in work interference with personal life and overall work life balance between police personnel at low, average and high levels of work centrality. However, the F value was observed to be insignificant for the dimension PLIW (F=.205, p>0.05) and on overall work life balance (F=3.254, p>0.05) which advocated that there is no

significant difference in personal life interference with work and overall work life balance among police personnel at varied levels of work centrality. Since the groups were reported significantly different on the dimensions of WIPL and WPLE in one-way ANOVA, the post hoc test was applied to identify the pair of groups that contributed to significant differences. The results of the comparison are summarized in table 7 and Table 8.



Table 7: Games Howell post hoc test for comparison of work life balance of police personnel at varied levels of work centrality

DV	WCEN_G (A)	WCEN_G (B)	Mean Difference (A-B)	Std. Error	Sig.	95% Confidence Interval Lower limit	Upper limit
WPLE	Low(M_L -13.8571)	Average	-1.59333*	.45158	.001	-2.655018	-0.531655
		High	-2.16335*	.46130	.000	-3.248074	-1.078624
	Average(M_A -15.4505)	Low	1.59334*	.45158	.001	0.531655	2.655018
		High	-0.57001	.41985	.364	-1.556740	0.416715
	High(M_H -16.0205)	Low	2.16335*	.46130	.000	1.078624	3.248074
		Average	0.57001	.41985	.364	-0.416715	1.556740

*The mean difference is significant at the 0.05 level.

**DV – Dependent variable

Table 7 outline the results of the Games-Howell post hoc analysis. The details presented in the table revealed that the p-value for WPLE between low-average and low-high groups was less than 0.05, inferring that the mean scores between low-average and low-high groups differed significantly at the 5% level of significance. However, the p-value for average- high group was observed to be greater than 0.05, inferring that there were no significant differences among these groups. The results suggest that work/ personal life enhancement differed significantly among police personnel with low-average and low-high work centrality, however, does not differ significantly between police personnel with average-high work centrality. Work/ personal life enhancement was observed to be lowest among police personnel with high work centrality (M_H = 16.02), followed by police personnel with the average work centrality (M_A = 15.45) and police personnel with low work centrality (M_L = 13.86).

Table 8: Tukey HSD test for comparison of work life balance of police personnel at varied levels of work centrality

DV	WCEN_G (A)	WCEN_G (B)	Mean Difference (A-B)	Std. Error	Sig.	95% Confidence Interval Lower Bound	Upper Bound
WIPL	Low(M_L -27.1741)	Average	.71590	.71325	.575	-.9590	2.3908
		High	-1.22790	.78241	.260	-3.0652	.6094
	Average(M_A -26.3131)	Low	-.71590	.71325	.575	-2.3908	.9590
		High	-1.94380*	.71034	.017	-3.6118	-.2758
	High(M_H -28.0410)	Low	1.22790	.78241	.260	-.6094	3.0652
		Average	1.94380*	.71034	.017	.2758	3.6118
WLBT	Low(M_L -58.3929)	Average	.79220	1.18325	.781	-3.5707	1.9863
		High	-3.50465*	1.29798	.019	-6.5526	-.4567
	Average(M_A -58.8626)	Low	.79220	1.18325	.781	-1.9863	3.5707
		High	-2.71245	1.17842	.056	-5.4796	.0547
	High(M_H -61.3279)	Low	3.50465*	1.29798	.019	.4567	6.5526
		Average	2.71245	1.17842	.056	-.0547	5.4796

*The mean difference is significant at the 0.05 level.

**DV- Dependent variable

Table 8 outline the results of Tukey HSD post hoc analysis. On the dimension WIPL, the p-value between average-high group was less than 0.05, inferring that mean score between average-high group differed significantly at 5% level of significance. On the dimension WPLE, the p-value between low-average, and low-high groups was less than 0.05, inferring that the mean scores between low-average and low-high groups differed significantly at the 5% level of significance. However, the p-value for low-average, low-high groups of WIPL and average-high group of WPLE was observed to be greater than 0.05, inferring that there were no significant differences among these groups. The results suggest that work interference with personal life differed significantly among police personnel with average-high work centrality while work/personal life enhancement differed significantly among police personnel with low-average and low-high work centrality. Work interference with personal life was observed to be highest among police personnel with average work centrality ($M_A=26.31$) followed by low work centrality ($M_L=27.17$) and then high work centrality ($M_H=28.04$). Work/personal life enhancement was found to be highest among police personnel with high work centrality ($M_H=16.02$), followed by police personnel with average work centrality ($M_A=15.45$) and police personnel with low work centrality ($M_L=13.86$).

As evidenced in table 8, in case of WLBT, the p-value between low- high group was less than 0.05, inferring that the mean scores between low-high group differed significantly at the 5% level of significance. However, the p-value for low-average and average- high groups was found to be greater than 0.05, inferring that there were no significant differences among these groups. The results suggest that the overall work life balance differed significantly among police personnel with low-high work centrality, however, does not differ significantly between police personnel with average-low, average-high work centrality. Overall work life balance was found to be highest among police personnel with high work centrality ($M_H=61.33$), followed by police personnel with average work centrality ($M_A=58.86$) and police personnel with low work centrality ($M_L=58.39$).

Hence, the *hypothesis* H_{02} is accepted for the

dimensions work interference with personal life, work/personal life enhancement and for overall work life balance. However, it is rejected for the dimension personal life interference with work. The result shows that work interference with personal life, work/personal life enhancement and WLB total of NGOs Grade-II varies at low, average and high levels of work centrality but personal life interference with work does not vary at varied levels of work centrality. The result further infers that work centrality is not a good predictor of personal life interference with work of NGOs Grade-II.

c) Relationship between Demographic Variables and Work Centrality: In order to find out the relationship between demographic variables and work centrality of police personnel of Himachal Pradesh, Pearson correlation coefficient was employed and the results are shown in Table 9.

Table 9: Correlation coefficient between work centrality and demographic variables

Variables	Work centrality (WCEN)
Marital status	-.132**
Gender	-.002

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

From the table 9, it is clear that marital status was significantly correlated with work centrality (WCEN, $r = -.132^{**}$; $p < .01$). Further, the table shows no significant correlation between gender and work centrality of police personnel (WCEN, $r = -.002$; $p = n.s.$). This finding of present study is supported by Genis and Wallis (2005) who found significant relationship between work centrality and marital status. Further, Sakshi (2017) found no significant relationship between gender and work centrality of doctors.

Hence, the *hypothesis* H_{03} is accepted, however, the *hypothesis* H_{05} is rejected. The result indicates that marital status is a strong predictor of work centrality of police personnel of Himachal Pradesh. Further, it can be stated that there may be some other demographic variables than gender (e.g., spouse occupation, dependent at home, location of job, location of living, etc.) affecting work centrality of police personnel of Himachal Pradesh.



d) Difference in work life balance of single/widowed/divorced and married police personnel: As shown in Table 10, the total sample of police personnel belongs to two groups when categorized on the basis of their marital status. The categories are ‘Single/Widowed/Divorced’ and ‘Married’.

The means scores of work centrality for these two categories were compared by using *t*-test. The result of this comparison is given in Table 11. The *p*-value or the significance value corresponding to the F test of equal variances assumed is greater than 0.05 for work centrality (.086). This suggested that independent two sample *t*-test with equal variances assumed should be used to compare the mean scores of work centrality. The *p*-value of *t*-test with equal variances assumed is less than 0.05 for work centrality (.000) which

means there is significant differences in work centrality of single/widowed/divorced and married police personnel. Work centrality was found to be higher among single/widowed/divorced ($M = 37.33$) than married police personnel ($M = 35.52$) as shown in Table 10. Hence, the *hypothesis* H_{04} is accepted.

Table 10: Descriptive statistics (in relation to marital status and gender)

Variable	Marital Status	N	Mean	Standard Deviation
Work centrality	Single/Widowed/Divorced	331	37.33	6.45
	Married	450	35.52	6.85
Gender	Male	616	36.29	6.76
	Female	165	36.26	6.65

Table 11: Test for Equality of Means (Work centrality in relation to marital status and gender)

Variable		Levene's Test for Equality of Means			t-test for Equality of Means					
		F	Sig.	t	Df	Sig. (2-tailed)	Mean difference	Std. Error difference	95% Confidence Interval of the Difference Lower Limit Upper Limit	
Marital Status	Equal variances assumed	2.951	.086	3.724	779	.000	1.80184	.483	.852	2.751
	Equal variances not assumed			3.758	733.624	.000	1.80184	.479	.860	2.743
Gender	Equal variances assumed	.089	.766	.046	779	.963	.02716	.590	-1.133	1.187
	Equal variances not assumed			.046	262.24	.963	.02716	.58495	-1.125	1.178

f) Difference in work centrality of male and female police personnel: As shown in Table 10, the total sample of police personnel belongs to two groups when categorized on the basis of their gender. The categories are “male and female”.

The means scores of work centrality for these two categories were compared by using *t*-test (results shown in Table 11). The *p*-value or the significance value corresponding to the F test of equal variances assumed is greater than 0.05 for work centrality (.766). This suggested that independent two sample *t*-test with equal variances assumed should be used to compare the mean scores of work centrality. The *p*-value of *t*-test with equal

variances assumed is greater than 0.05 for work centrality (.963) which means there is no significant differences in work centrality of male and female police personnel. Work centrality was found almost similar in both male ($M = 36.29$) and female police personnel ($M = 36.26$) as shown in Table 10. This result is similar to observations made by Sharma (2017) who found no significant difference in work centrality of male and female doctors, while, findings of Taveggia & Ziembra (1978) contradict this result who found male employees more work oriented in their overall central life interests than female employees. Hence, the *hypothesis* H_{06} is rejected.

CONCLUSION

The present study sought to determine the relationship between work centrality and work-life balance of police personnel of Himachal Pradesh. The study reported a significant and positive relationship between work centrality and work/personal life enhancement and overall work-life balance. The results inferred that the higher the work centrality, the higher is the work/personal life enhancement and higher is the overall work life balance. High work centrality indicates that one identifies with one's work role, and sees work as an important aspect of life (Diefendorff, Brown, Kamin, & Lord, 2002). Walia (2011) and Sharma (2017) too found a positive relationship between work centrality and work-life balance. Police personnel who have high work centrality that is, give more preference to their work than to other leisure pursuits of life, derive more satisfaction from work and have personal life goals work oriented display more level of work life balance than those having low work centrality. The present study also reported that work interference with personal life, work personal life enhancement and overall work life balance differed significantly among police personnel at varied levels of work centrality. Work life balance was found higher in case of police personnel who scored high on work centrality followed by police personnel with average and low work centrality.

The study also examined the relationship of demographic factors with the work centrality of police personnel. The study found significant and positive correlation between marital status and work centrality of police personnel. Work centrality was found to be higher among Single/Widowed/Divorced police personnel than married police personnel. This result inferred that a single person can dedicate as many hours as they are physically and mentally able to their career growth, thus resulting in higher work centrality. On the other hand, married people have more family

responsibilities than single people. Women's integration into the work force, and improvement of gender equity, has some negatives in the form of pressure from family responsibilities. Married people have to devote their attention and time to family and therefore have less work centrality. No significant relationship was found between gender and the work centrality of police personnel. The results implied that there is no significant difference in the work centrality of male and female police personnel. This result of the present study is supported by the results of Fletcher & Major (2004) who discovered that both males and females achieved similar levels of altruism motives or work values. This result contradicts the findings of past studies. Gavrioloaiei (2016) found women and elder people to show higher levels of work centrality. On the other side, Lorence (as referred in Kostek, 2012) advocated that men take on the role of career builder and provider for the family economically, while women are generally raised to take on more family-centered roles. Thus, men tend to put comparatively more resources in developing their careers and as a result, their identity as a worker becomes more prevalent while women tend to assign their resources to families, and consider their role in the workplace as a less important part of themselves.

Organizations when allows individual autonomy to decide how to do certain tasks, it allows them to use creativity and take the initiative to complete activities at work and they found work central to life interest. Sisodia and Das (2013) also reported that employees with high job autonomy shows more job commitment in comparison to employees with low job autonomy. Another feature of police work is that it always entails some degree of uncertainty or risk. By providing specialized and prolonged training allows them to minimize the risk and uncertainty involved in their job and also encourages the development of a commitment to work.

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Evaluating the Impact of Corporate Social Responsibility Initiatives in the Field of Education and Human Resource Development: A Study of Tata Steel Limited and Bharat Coking Coal Limited in Jharia Coal Field

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ABSTRACT

Background: This study maps the various Corporate Social Responsibility (CSR) interventions of the two coal companies (Tata Steel Limited and Bharat Coking Coal Limited) in their respective buffer zones in the area of education and human resource development.

Aim of the study: The present study aimed to get access to the role of corporate social responsibility initiatives are undertaken by Tata Steel Limited and Bharat Coking Coal Limited in the field of education and human resource development. The paper also attempts to explore the areas where Corporate Social Responsibility intervention is required for upgradation in the arena of education and human resource development.

Methodology: A total of 60 school teachers were selected based on the purposive sampling method, out of 60, 30 school teachers were from the three sample villages under the Tata Steel Limited viz Petia, Dukhitdi, and Rampur, another 30 school teachers were selected from the Amtal, Kuia and Parasbania (Balichirka) villages lying in the buffer zone of Bharat Coking Coal Limited. Primary data was collected through a structured schedule an interview. Descriptive statistical analysis is carried out applying multiple response analysis of SPSS software.

Conclusion: The outcomes of the discussion briefly stated as that the impact of coal mining by BCCL in the field of education and human resource development is loud however, their naive CSR interventions in various these fields are sporadic and have yet to scale miles. Although TATA is a pioneer in this field of CSR as it practices the same philanthropically since long and has separate specialized agencies lie TSRDS, which implements its policies hence TATA intervention seems to be in a better position,

Keywords: Bharat Coking Coal Limited (BCCCL), Corporate Social Responsibility (CSR), Tata Steel Limited (TATA), and Vocational and Educational Training (VET).

INTRODUCTION

The success of any sector is dependent on the quality of its human resources. The educated and skilled masses necessarily contribute to the Nations's development of its corporate sector. The corporate sector, too, should also grab the opportunity of the government policy to spend 2% of its annual revenue for those having minimum annual revenue of 5 crores or more in promoting quality education. Thus the corporate sector initiative had a vital role to play in its worthy cause of improving educational conditions and upgrading the human resources through various skill development programs simultaneously

contributing to the nation-building initiative of the government. In this context the present study deals with the education facilities of Dhanbad, education facilities of sample villages at a glance, education status of currently studying students and type of institution in the sample villages under TATA and BCCL, awareness assessment regarding CSR initiatives in the field of education and human resource development, level of satisfaction with the existing school amenities, preference to speedy redresses if not satisfied with the existing amenities, and scope for corporate social responsibility intervention in the uplifting education scenario.

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EDUCATION FACILITIES OF SAMPLE VILLAGES AT A GLANCE

The lagging behind of rural literacy rate may be comprised outcome of several socio-economic factors, inculcating the timid reach of even primary and basic education due to lack of minimum indispensable infrastructure of the rural schools, its accessibility, and other necessities viz, electricity, toilets, etc. The present study thus focuses in the rural regions of the districts which

have been more privileged amongst other rural locations of the district as these villages fall under the core and buffer zones of two coal companies, one of Maha Ratna repute and India most leading private sector. The scenario related to education as observed in the sample villages of Petia, Dukhitdi, and Rampur under the core and buffer zone of Tata steel limited and Amtal, Kuia and Parasbania (Balichirka) falling under the core and buffer zone of Bharat coking coal limited are illustrated in Table 1.

Table 1: Education Facilities of Sample Villages at a Glance

Sl. No.	Mode of Education facilities	Sample villages under TATA			Sample villages under BCCL		
		Petia	Dukhitdi	Rampur	Amtal	Kuia	Parasbania (Balichirka)
1	Govt Primary School	Available	Available	Available	Available	Available	Available
	Numbers	2	1	1	3	1	1
	Distance	Within1 Km	Within1 Km	< 5 KmsMalkera	Within1 Km	Within1 Km	Within1 Km
2	Private Primary School	Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Numbers	1	0	0	0	0	0
3	Govt Middle School	Available	Not Available	Available	Available	Available	Available
	Numbers	2	0	1	2	1	1
	Distance	Within1 Km	Within1 Km	< 5 KmsMalkera	Within1 Km	Within1 Km	Within1 Km
4	Private Middle School	Available	Not Available	Available	Not Available	Not Available	Not Available
	Numbers	1	0	1	0	0	0
5	Govt Secondary School	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Nearest Facility Status	Bhaga	Bans Kapuria	Malkera	Baliapur	Dhanbad	Kandra
	Distance	5-10 Kms	< 5 Kms	< 5 Kms	5-10 Kms	10+ kms	< 5Kms
6	Private Secondary School	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Available at	Jharia	Bans Kapuria	BansKapuria	Baliapur	Dhanbad	Kandra
	Distance	5-10 Kms	< 5 Kms	< 5 Kms	5-10 Kms	10+ kms	< 5Kms
7	Govt Senior Secondary School	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Available at	Jharia	Bans Kapuria	Malkera	Dhanbad	Dhanbad	Baliapur
	Distance	5-10 Kms	< 5 Kms	< 5 Kms	10+ kms	10+ kms	5-10 Kms
8	Private Senior Secondary School	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Available at	Jharia	Bans Kapuria	Kapuria	Dhanbad	Dhanbad	Baliapur
	Distance	5-10 Kms	< 5 Kms	< 5 Kms	5-10 Kms	10+ kms	< 5Kms
9	Govt Arts and Science Degree College	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Nearest Facility	Dhobani	Katras	Katras	Dhanbad	Dhanbad	Sindri
	Distance	10+ kms	5-10 Kms	5-10 Kms	10+ kms	10+ kms	< 5Kms
10	Private Arts and Science Degree College	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Nearest Facility	Dhobani	Katras	Katras	Dhanbad	Dhanbad	Sindri
	Distance	10+ kms	5-10 Kms	5-10 Kms	10+ kms	10+ kms	< 5Kms
11	Govt Vocational Training School/ITI	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Nearest Facility	Dhanbad	Dhanbad	Dhanbad	Dhanbad	Dhanbad	Sindri
	Distance	10+ kms	10+ kms	10+ kms	10+ kms	10+ kms	< 5Kms
12	Private Vocational Training School/ITI	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Nearest Facility	Dhanbad	Dhanbad	Dhanbad	Dhanbad	Dhanbad	Sindri
	Distance	10+ kms	10+ kms	10+ kms	10+ kms	10+ kms	< 5Kms
13	Government School For Disabled	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Nearest Facility	Dhanbad	Dhanbad	Dhanbad	Dhanbad	Dhanbad	Sindri
	Distance	10+ kms	10+ kms	10+ kms	10+ kms	10+ kms	< 5Kms
14	Private School For Disabled	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Nearest Facility	Dhanbad	Dhanbad	Dhanbad	Dhanbad	Dhanbad	Sindri
	Distance	10+ kms	10+ kms	10+ kms	10+ kms	10+ kms	< 5Kms
15	Public Library	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available
	Distance	< 5 Kms	< 5 Kms	< 5 Kms	10+ kms	10+ kms	10+ kms
16	Public Reading Room	Not Available	Not Available	Not Available	Not Available	Not Available	Not Available

(Source: Primary)

Awareness assessment regarding corporate social responsibility initiatives in the field of education and human resource development

To comprehend the awareness assessment regarding CSR initiatives in the field of education and human resource development, frequency distributions along with percentages are derived as given in Table 2. To evolve a definite system for social investment and channel these resources "in a systematic manner" to get a better result in the field of education through CSR initiatives the study with a quest to evaluate the benefits amongst community designed a structured schedule to collect adequate information regarding the awareness of the list of issues related to this field. Amongst the stakeholders as building awareness is one of the biggest is

stepping more in creating change and eradication of illiteracy and at the same time, paving the path to illuminate the society at large in its views and attitude towards companies. The researcher gathered relevant information from varied sources of published reports and written CSR policies of companies, along with large fields survey prepared a list of varied programmes undertaken up by the companies of Tata steel limited and Bharat coking coal limited for their stakeholders from the sample villages under TATA and the sample villages under BCCL respectively to have a clear picture of the existing scenario about the extent of awareness amongst the stakeholders regarding the initiatives undertaken in the field of education by these two coal companies as a part of their social responsiveness through corporate social responsibility initiatives.

Table 2: The Initiatives Undertaken by the Companies in the Schools of Command Areas

S. No	Particulars	Sample villages under TATA			Sample villages under BCCL		
		N	Percent N=265	Percent of Cases N=30	N	Percent N=126	Percent of Cases N=30
1	Contribute for class rooms	16	6.0%	53.3%	22	17.5%	73.3%
2	Contribute for bench & desk for students	12	4.5%	40.0%	13	10.3%	43.3%
3	Potable water	30	11.3%	100.0%	10	7.9%	33.3%
4	Toilet	14	5.3%	46.7%	17	13.5%	56.7%
5	Facilities for extra-curricular activities	27	10.2%	90.0%	12	9.5%	40.0%
6	Public library	0	0.0%	0.0%	4	3.2%	13.3%
7	Boundary walls for schools	30	11.3%	100.0%	18	14.3%	60.0%
8	Electricity	30	11.3%	100.0%	13	10.3%	43.3%
9	Computer literacy	14	5.3%	46.7%	3	2.4%	10.0%
10	Participation in Mid Day Meal Scheme	23	8.7%	76.7%	4	3.2%	13.3%
11	Imparting vocational training for locals	17	6.4%	56.7%	5	4.0%	16.7%
12	Coaching for pre matric students	19	7.2%	63.3%	0	0.0%	0.0%
13	Scholarship programmes for meritious student	10	3.8%	33.3%	2	1.6%	6.7%
14	Technical Training courses for educated youths	20	7.5%	66.7%	1	.8%	3.3%
15	Adult literacy programmes	3	1.1%	10.0%	2	1.6%	6.7%
Total		265	100.0%	883.3%	126	100.0%	420.0%

(Source: Primary)

The information thus gathered is illustrated in Table 2 figures out that awareness in varied themes are in wide range of 0% to 100% in different programmes for that of sample villages under TATA while for sample villages under BCCL

it is maximum up to 73.3% and the least is 0.00%. It is overwhelming to note that about 100% of the respondents from sample villages under TATA is aware of the venture of CSR initiatives by the company of TATA steel limited starting from



potable drinking water, construction of boundary walls of school and providing electrification in the schools, as these components are quite used to the stakeholders, while 90% of the respondents are aware that the company to extend their participation in facilitating extracurricular activities amongst the school children, while the percentage mentioned above, i.e. 90% to 100% is not obtained from sample villages under BCCL respondents, clearly demarcates the different level of awareness regarding initiatives undertaken up by these two coal companies namely Tata steel limited and Bharat coking coal limited. The highest percentage of responses from sample villages under BCCL is 73.3% for contributing to building a classroom for schools by the company, which is significantly low as compared to that of 76.7% of awareness in sample villages under TATA for venturing in the mid-day meal schemes by Tata steel limited in sample villages under BCCL schools by providing safe and clean water in schools, at this is also noted that only 13.3% of the respondents from sample villages under BCCL is aware of the respective companies initiatives regarding participation in MDM schemes of providing, water etc. In this case, the construction of boundary walls at schools it is 60% awareness in sample villages under BCCL, which accounts for 100% in sample villages under TATA.

It is only regarding of toilet at schools the awareness amongst sample villages under BCCL is noted to be 56.7% with a ten percent more than that of sample villages under TATA in all other components of initiatives infrastructural development or upliftment the sample villages under BCCL if lacking much behind in lifting an impression of their goodwill ventures. For a contribution of bench desk it is 43.3% for sample villages under BCCL while amongst sample villages under TATA is 53.3% regarding electrification of schools, the difference is more than double while it accounts 100% from sample villages under TATA the awareness response percentage is merely 43.3% for sample villages under BCCL the same trend is again observed in the matter of providing facilities for extracurricular activities to support for school children, it is 90% from sample villages under TATA while only 40% of the respondents in the

case of potable drinking water to schools the difference is three times as it is 100% for sample villages under TATA while it is 33.3% for sample villages under BCCL. It is more than four times regarding imparting vocational training the figures being 16.7% for sample villages under BCCL while it is 56.7% for that of sample villages under TATA. And for providing technical education it is a 3.3% for sample villages under BCCL and that of sample villages under TATA it is 66.7%. For the Provision of library, the sample villages under BCCL are a better position with 13.3% while it is null for sample villages under TATA. However, the rate of percentage is declining in order of respondents for computer literacy only 10% from sample villages under BCCL and 46.7% from sample villages under TATA, scholarship program 6.7% from sample villages under TATA and 33.3% for sample villages under TATA, adult literacy program 6.7% from sample villages under BCCL and 10.0% from sample villages under TATA, while it comes regarding awareness regarding coaching for pre-matric students the sample villages under BCCL scores a null while it is in a bright position with score of 63.3% respondents awareness. This huge variation in figures between the responses amongst the coal companies Tata steel limited and Bharat coking coal limited for creating awareness cannot be underestimated particularly in resources limited condition. The probable reason for this condition is the organizational and delicateness of institutional approach of Tata steel limited. Institutions like TSRDS etc might be the vital key factors behind who were amongst the community and communicates the needs and also propagate the initiatives undertaken lucidly. While the sample villages under BCCL almost lacks any such institutions which could act as a bridge between the company and the community.

Preference to speedy redress if not satisfied with the existing amenities

This study to gather information as to what extent the community actually feels regarding their priority, possible intervention of the companies, the figure of responses are given in Table 4.52 for both the sample villages under TATA and BCCL, frequency distribution along with percentages, the extent of urgency felt for the

different components in upliftment of the education scenario of the area. It was overwhelming experience to note that group respondents widely varying the responses according to the availability of basic infrastructure and amenities available within their areas, but apart from level of difference in percentage for varied components by the Provision of separate toilets/urinals of girls and boys students with

proper water supply for these, so that these toilets could be used in a hygienic manner was of high priority as evident in Table 3. Given the due importance to the qualitative and nutritional aspects of MDM schemes as per norms, also equally felt the need of construction of appropriate boundary walls for the schools to ensure the security of the school environment.

Table 3: Priority Wise Redresses of Existing Lacking of Infrastructure in the Educational Arena

S. No	Particulars	Sample villages under TATA			Sample villages under BCCL		
		N	Percent N=152	Percent of Cases N=29	N	Percent N=176	Percent of Cases N=30
1	Condition of building	15	9.9%	51.7%	13	7.4%	43.3%
2	Class rooms	20	13.2%	69.0%	16	9.1%	53.3%
3	Teacher	6	3.9%	20.7%	6	3.4%	20.0%
4	Bench & desk for students.	18	11.8%	62.1%	25	14.2%	83.3%
5	Electricity	4	2.6%	13.8%	15	8.5%	50.0%
6	Drinking water	9	5.9%	31.0%	20	11.4%	66.7%
7	Toilet facilities	21	13.8%	72.4%	22	12.5%	73.3%
8	Facilities for extra-curricular activities	17	11.2%	58.6%	14	8.0%	46.7%
9	Library	25	16.4%	86.2%	21	11.9%	70.0%
10	Boundary walls	6	3.9%	20.7%	10	5.7%	33.3%
11	Awareness programmes to prevent school dropouts	2	1.3%	6.9%	6	3.4%	20.0%
12	Mid Day Meal Scheme	9	5.9%	31.0%	8	4.5%	26.7%
Total		152	100.0%	524.1%	176	100.0%	586.7%

(Source: Primary)

Scope for providing shelter and proper electrification of the schools was felt by at 13.80% of the respondents, few also felt the intervention in creating awareness for checking school drop-outs could also be intervening by the sample villages under TATA, more than 50% of the respondents from sample villages under TATA also emphasized on providing facilities for extracurricular activities in these schools, by extending companies interventions in playgrounds in schools, with proper sports it's and coaching activities in parallel to sports of indoor and outdoor nature. There is the wide extent of scope for betterment and shaping the future citizens through the noble opportunity of CSR intervention by the companies in the schools, priority percentage may show variations but the same if felt in the case of sample villages under BCCL

schools running in the command areas or nearby coal mines of BCCL. Hence, more than 50% to 70% population felt that for speedy redresses of problem lie supply of potable drinking water, number of adequate classrooms and library facilities about 70% could be probable areas of CSR intervention. Proper electrification, the condition of the building, proper boundary wall, facilities for extracurricular activities are within 30% to 50% the facilities of respondents from sample villages under BCCL. Also, expressing the priorities of both the sample villages under TATA and BCCL, it seems bit varied as per their existing amenities and available infrastructures. Although it is widely reflected that all the basic infrastructure of schools requires intervention by the companies for the upliftment of the educational scenario of the area and community at large. Basic amenities



like bench and desk of all students seem to be at highest priority of the schools of sample villages under TATA and sample villages under BCCL, where for TATA it is library with separate space and adequate sitting space and optimum number of literature, books, well showcased for the utility of students and faculty including the community at large. Adequate numbers of classrooms is also a major concern for sample villages under TATA schools along with the condition of buildings on the priority list of the respondents as basic infrastructural development of the schools to be redressed by the company (TATA) under CSR initiatives, equally filled the requirement of proper potable water in 20% amongst the sample villages under TATA respondents. Along with intervention in the field of MDM by providing adequate numbers of cook-cum-helper and basic amenities such as kitchen shed, water supply, hygienic space for students to sit and eat, sittings mat, an adequate number of plates for students as well. 20.0% to 27.7% of the respondents cases laid stress of intervention in providing adequate number of teacher to these schools by the company under CSR initiatives along with intervening in the betterment of MDM scheme was reported by 26.70% to 31.0% of cases under the sample villages of BCCL and TATA

respectively, also in sample villages under TATA creating awareness to check school drop-outs is a possible area for intervention of the company is opted least, but equals to the number of teachers within the sample villages under BCCL it is possibly assumed in the priorities listed above by the respondents as also few community dwellers rightly responds that if the schools are equipped with basic infrastructure and amenities and have hygienic environment to study, learn, play and develop the need for creating awareness will obviously not felt, as the encouragement and enthusiasm lay within the environment of the school, having proper and adequate numbers of class rooms, separate and hygienic sanitation facilities, potable drinking water etc are the fields where the coal company could intervene through CSR and polish these raw carbons to shining diamond citizens of India.

Scope for corporate social responsibility intervention in uplifting education scenario

To comprehend the areas for which company should intervene for uplifting education scenario, frequency distributions along with percentage are derived as given in Table 4.

Table 4: Areas for Intervention under CSR in Uplifting Education Scenario

S. No	Particulars	Sample villages under TATA			Sample villages under BCCL		
		N	Percent N=209	Percent of Cases N=30	N	Percent N=285	Percent of Cases N=30
1	Basic infrastructure facilities	25	12.0%	83.3%	28	9.8%	93.3%
2	Scholarship Scheme for needy	14	6.7%	46.7%	22	7.7%	73.3%
3	Scholarship scheme for meritorious students	20	9.6%	66.7%	25	8.8%	83.3%
4	Public Library	22	10.5%	73.3%	24	8.4%	80.0%
5	Educational amenities provided to students	8	3.8%	26.7%	10	3.5%	33.3%
6	Educational amenities provided to School	21	10.0%	70.0%	21	7.4%	70.0%
7	Coaching for pre matric students	8	3.8%	26.7%	26	9.1%	86.7%
8	Coaching for various competitive examination	22	10.5%	73.3%	27	9.5%	90.0%
9	Vocational/Technical Training courses for educated youths	7	3.3%	23.3%	23	8.1%	76.7%
10	Awareness programmes to prevent school dropouts	1	.5%	3.3%	12	4.2%	40.0%
11	Participation in Mid Day Meal Scheme	21	10.0%	70.0%	19	6.7%	63.3%
12	Transport facility for non employees	16	7.7%	53.3%	20	7.0%	66.7%
13	facilities in company aided school for non employees	24	11.5%	80.0%	28	9.8%	93.3%
Total		209	100.0%	696.7%	285	100.0%	950.0%

(Source: Primary)

Infrastructural development is the basic structural, physical, and organizational need for the apposite school operations. Pradhan Mantri Khanij Kshetra Kalian Yajna Government of India has recognized infrastructure as the set of unified structural elements that provide the framework, supporting the entire structure of development. Proper infrastructure plays an important role in the academic development of the school and by large of the community propagated into society and resulting from the development of the country. Physical infrastructure such as teaching material, non-availability of classroom, library and laboratories has a direct impact upon student's academic achievements Ajayi (1987) and Ahmed (1999). The infrastructure for this purpose is scheduled below: School building with proper boundary wall, Adequate number of the classroom with furniture (Bench and desks, Table and chair, blackboards, etc), Separate hygienic toilets for girls and boys with proper water supply, Provision of potable water, Separate place for office room, staff room, Library and laboratory as required, Playgrounds and adequate sports, Proper and legitimate electricity, Space and amenities for cultural activities and Provision for committed time bound maintenance and repair of the infrastructural elements to ensure the sustainability. The responses from both the groups also highlight a similar choice in this regard, which accounts for 83.3% for the sample villages under TATA and 93.3% for the sample villages under BCCL. Now it's the time for the companies to show their knack for participate in the development of the country and humanity through extending the part in a better learned and well-educated students by providing and upgrading the basic infrastructural components mentioned above in a sustainable manner to the schools in their operating domains and the opportunity of fulfilling their commitment in CSR towards building a better society by boasting up the basic infrastructure in schools.

A scholarship may be a boon for pupils belonging to the weaker sections of the society, who are unable to pursue their education for varied socio-economic reasons. A scholarship is an incentive also as encouragement for pupils who are talented but don't have the means to persue further academics. There is a wide range of

scholarships available on the basis of merit, need, student-specific, career-specific and college-specific (MHRD 2017). A scholarship is an award or honor of financial assistance to a student to foster their education, based on various criteria, which usually reflect the values and purposes of the funding agency. When students are recognized for the accomplishments, it gives them the arrogance to pursue other goals. it's vital for pupils to acknowledge their own potential early in their academic career in order that they foster its growth, receiving recognition from a corporation or company helps students take this step. The scholarships transcend support and make the scholars feel hooked in to learning and developing themselves, without having to stress about unequal economic, social, physical or mental standards or stereotypes. A scholarship may be classified in various ways based on its aim and objectives, in this study the two broadly classified types "Merit-based" and "Need-based" scholarship was considered for explaining the emphasis of respondents from sample villages under TATA and sample villages under BCCL. The merit-based scholarship is popular in the sample villages under BCCL. In BCCL named "BCCL ke lal...ladli" scholarship. Based on the academic performance, for the various sector of students including ward of employees and amongst sample villages under TATA it is merit cum need-based scholarship viz Jyoti fellowship for scheduled caste and scheduled tribes, as the name specific it is Provision for only scheduled caste and scheduled tribes meritorious students studying in class VIIth to XIIth standard. The responses of the study as mentioned in the Table 4 show that there is death of scholarship to facilitate the needy as well as meritorious students as reflected from the above Figures ranging from 46.7% to 83.3%, inculcating both the groups, it is evident from this, that this sector for facilitating and encouraging students could be explained more by the company, may be in the form of "brand scholarship" which may will also promote the companies goodwill amongst the community. The CSR interventions in providing scholarship should be wider beyond present's limits as of socio-economic backwardness and restricted to academic results only, it could be meant to aim the economically weaker in all sections of the



society and varied fields of education, sports, and cultural activities for propagating a multi-faceted developments of the school students of these affected areas.

Public library: community library apart from the conventional school libraries, restricted to curriculum based only, but broadly promoting reading and learning habits amongst the community of varied interest and aspects. Such places equipped with daily newspaper, magazine, literature, and books of regional as well as other languages, could be helpful in strengthening the society and enrich knowledge and culture amongst the community. The need for such library is felt in these study areas of sample villages under TATA and sample villages under BCCL, as both the group's responses are more than 70%, it is 73.3% and 80% for sample villages under TATA and sample villages under BCCL respectively. It will also help the students to relegate education and learning process beyond the boundaries of the school, colleges and into the society. The company should give more systematic emphasis in this regard and should not just venture in it as sporadic instances of providing one library at Jharkhand and the second one in Orissa, this dignity will not sure the purpose of the community or public library.

Educational amenities provided to students and school: in response to the query of whether Provision of amenities to students and schools should be encouraged more by the coal companies(TATA and BCCL) operating in the area, there were mixed responses, but nearly resembling i.e. 26.7% from sample villages under TATA and 33.3% from sample villages under BCCL for providing educational amenities to students lie school it, including dress, bags, books, notebooks etc, with suggestion of providing tablets loaded with study materials and lie electronic gadgets amongst the list of amenities sought for the students. It was quite interesting to note that respondents of both the sample villages under TATA and BCCL show exactly same i.e. 70% for providing amenities to schools, with the basic infrastructural development of the school. It is felt much needed to equip schools with the modern technologies in the field of education, like smart boards, the computer laboratory with an adequate number of

computers, sports amenities. Hence, it is therefore subject to intervention by the respected companies in these fields which will contribute to the students beyond doubts. The company can also pay good returns as the need for the coaching's in responded less by the respondents of this group. It is about 26.7% only much less than the need for coaching for pre-matric felt by the sample villages under BCCL respondents as high as 86.7%. The researcher studied in details as to classify this difference and was overwhelmed what was learned. It is mighty and noteworthy for the sample villages under BCCL that BCCL must indulge in such coaching activities as there is dearth of regulation in this area under CSR which yet almost untouched.

Tata Steel's pre-Matric coaching comes to the aid of Jamadoba Students.

More than thousands bright talents, who would have been otherwise flickered out, without proper coaching prod from Tata Steel (The Telegraph 2012). Jamadoba-based Tata Steel Rural Development Society had initiated a cluster of pre-matric coaching programme it is aimed to improvise the lives of underprivileged students living in 33 villages within the Tata steel's buffer zones. The seven-month classes, provides free tuition to rural students of Classes VIIIth, to Xth, has been designed to be held at 11 centers, six in Jamadoba and five in Sijua across the district from July 16. The TSRDS officials said that that they had roped in 33 qualified teachers for the classes, 3 teacher's per-center in 2014. An eight months pre-Matric coaching provided by Tata Steel Rural Development Society to 704 students of Class Xth in Jamadoba, led to better results in the Jharkhand Academic Council's Annual secondary board examination. As per the recently declared results, out of 704 students, 701 appeared for the Board examination of which 692 (98.71 percent) were declared successful. In the year 2014, 87.65 percent of the candidates had succeeded in clearing the examination in Jamadoba. of the 692 successful students who underwent the pre-Matric coaching by Tata Steel, 59 students scored more than 75 percent (Distinction) and 326 students scored first division (The Avenue Mail, 2014). The toppers of the batch were, Sunny Singh of Saraswati Shishu Mandir,

Bhowra, who scored 91 per cent and Anita Tudu of Kasturba Gandhi Balika Vidyalaya, who scored 83.8 per cent. Out of 17 Coaching Centres in Jamadoba, the Coaching Centre at S.S.N.M. High School, Sijua performed well where 60 students appeared for the examination, of which 15 students scored more than 75 percent (Distinction) and 44 students got the first division. Apart from the matric coaching's for preparation of various competitive examinations could also be ventured, in these areas to facilitate the educated youths for achieving their career goods, this will certainly provide good livelihood but help them to develop successful human resources for the country. The Tata steel limited is in practice of such coaching at Jamshedpur but more to be done yet in these leasehold areas. BCCL should take up such initiatives as 90% of the respondents for sample villages under BCCL feel that coaching for competitiveness examinations should be prescribed.

Indian economy has witnessed a considerable growth in the last two decades but it has not been uniform. The lacunas like low education level due to high rate of school dropouts, improper vocational training are major hindrances in provisioning better employment opportunities thus under employment scenario too could be confronted to meeting up these lacunas. Thus the skilled human resource gap in the market could be met up. According to Verma, (2013) only 2% of nation's youth and 7% of the total working masses has accrued vocational training Boston consulting groups report reveals that amidst global shortage of 47 millions skilled workforces India will have 56 million surplus workforces by 2020, presently about 10% of the young population with a 'demographic dividend' of more than 50% of the population in the age 25 has proper vocational training (Pilz, 2016). Emphasising the importance of proper vocational training and programme for skilled development the Government of India had the Prime Minister's National Council for Skill Development for framing policies, the National Skill Development Coordination Board, for coordinating the various skill development programs, and finally the National Skill Development Agency (NSDA) a catalyst to enhance the skill development programs in its 11th five year plan Joydeep (2015).

Initiative for Vocational and Educational Training (VET)

Despite of all the efforts taken up by these coal companies there still a huge demand from the sample villages under BCCL respondents about 76.76%, for proper vocational and educational training, so as that these programmes should not be taken up only as means to fulfill their budgetary target and yielding out Figure in the well-decorated reports, but with a result in physical establishing of the noble cause through CSR initiatives and hence a well designed and suitable programme for individual seeker, mapping up this potential should be promoted this will definitely cement the skilled human resources, well connected with job market to yield up a quality work force for the nation. The initiatives taken up in this regard from the Tata steel limited seems to be satisfactory as it is reflected from the responses of the sample villages under TATA respondents. The demand seems out from the Table 4 is about 23% for vocational education and training. This demand crops out from the gaps and lacks yet to be addressed from the end of the company programmes restricted to either ward of employees with specific caste categories of the should be opened up a bit to reach out all the needy and destitute without preset of connections would be more appreciable and meaningful. The company with mining history of not in decades but over centuries should be more responsible to address the large sections of the stakeholders dwelling in these coal-bearing horizons and should have a correlated focus to address the community affected by its mining activities in these areas. Many more initiatives should be taken up in these areas by establishing institutes like ITI etc and other training schools in this coalfield should be set up along with initiatives taken up for distant places from this area. It's like giving back to nature from where it's mining out its natural resources and hence it is done more for the natural human resources of this localized land too.

Apart from the priorities discussed till now for intervention of the companies in their CSR initiatives the probable initiatives which these companies should also focus as gathered from this study are that about 80% of the respondents



group feels facilities in company aided schools for non employees should also be taken care similar with the companies welfare policy for employees ward, such demand is even more from the sample villages under BCCL respondents, about 93% of respondents of sample villages under BCCL priorities for seeking similar facilities' viz. concession of tuition fees etc at schools along with transportation facilities for non employees. Amongst sample villages under TATA 53.3% of the respondents and from sample villages under BCCL substantially 66.7% of the respondents feel the need for availing transport facility for attending educational institutions. In response to the query about participating directly with MDM schemes run at schools in the areas, the sample villages under TATA respondents feel the need with Figure of 70% and 63.3% from sample villages under BCCL. The demand and priority Figures for creating awareness for preventing schools drop-outs in the least in sample villages under TATA it is 3.3% and the responses from sample villages under BCCL was 40%. The initiatives for awareness should be prioritized by the sample villages under BCCL Company more and measures to create awareness amongst the community, through various means to reach out to the drop-out students and do their part of social responsibility by encouraging generations to get the quality education.

CONCLUSION AND SUGGESTIONS

This study maps the various CSR interventions of the two coal companies (Tata steel limited and Bharat coking coal limited) in their respective buffer zones, in the area of education and human resource development of the stakeholders. In this study, the primary data collected was through different modes are analyzed. The outcomes of the discussion briefly stated as that the impact of coal mining by BCCL in the field of education and human resource development is loud however, their naive CSR interventions in various these fields are sporadic and have yet to scale miles. Although TATA is a pioneer in this field of CSR as it practices the same philanthropically since along and has separate specialized agencies lie TSRDS, which implements its policies hence TATA intervention seems to be in better position, however its selection of region and policies also

seems to be influenced by several factors and management interventions and political obligation. The focus of the companies seems to mere fulfill legal obligations and lacks clear vision and moral, ethical approach.

On the basis of the findings and analysis of the present study, of the prevailing status of basic education in rural areas of Jharia coal field, the study recommends measures to improve access and quality of education for rural people in order to contribute in a just way to sustainable rural development. The coal companies should take up the CSR initiatives as pointed below, providing emphasis to the specific requirement to uplift basic infrastructure, creating awareness, and promoting sports and culture amongst the rural and underprivileged community residing in their respective buffer zones.

- i. Basic infrastructure facilities like School building with proper boundary wall, Adequate number of a classroom with furniture i.e. Bench & desk for students. Provisioning of proper and legitimate electricity or solar electricity with fitting such as light, fan etc. Hygienic toilets for girls and boys with proper water supply, potable drinking water in schools could be provisioned as a part of their CSR initiatives.
- ii. The possible intervention of computer literacy in schools by providing an adequate number of computers and instructor, promoting information technology amongst the students.
- iii. Educational amenities to School, students, school library, public Library and laboratory may be provisioned as required.
- iv. Participation in Mid Day Meal may also be extended along with Government Scheme, to ensure meeting up appropriate nutritional requirements of the students in its buffer zone schools.
- v. Roping in Voluntary Teacher services in the schools lacking faculties.
- vi. The Early Childhood Care and Education (ECCE) could be taken up either in collaboration with Government's Integrated Child Development Services (ICDS) programme which provides food and primary healthcare to children under six years of age and their mothers at these Anganwadi or day-care centre's or separate alike institutions

- could be provisioned as a part of their CSR initiatives
- vii. Awareness programmes on girl education to prevent school dropouts.
 - viii. Promotion of adult literacy centre's under the buffer zones.
 - ix. Facilities on training and rehabilitation of differently abled children may be prioritized within the company aided schools.
 - x. Scholarship Scheme for needy, underprivileged and meritorious students, under the buffer zones to enable them to get uninterrupted education.
 - xi. Coaching for pre matric students, coaching for various competitive examination and Vocational/Technical Training courses for educated youths.
 - xii. Transport facility for non-employees, facilities in company aided school for non employees residing in the buffer zones.
 - xiii. Sponsorship of Sports and Cultural activities to restore and promote indigenous cultural traditions and values.
 - xiv. Promotion of road safety awareness program through audio-visual and print media should be included.
 - xv. Legal awareness programs amongst the vulnerable sections of the society regarding their rights & remedies available.

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Problems and Prospects of Regional Rural Banks in India: An Overview

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ABSTRACT

Regional Rural Banks (RRBs) came into existence on 02 Oct., 1975 and since then RRBs are playing an important role in the rural development of India. Each RRB is sponsored by a public sector bank and hence RRBs are absolutely dependent, for loan operations and finance, on sponsor bank as well as on NABARD, an apex institution in the sphere of agriculture and rural development. The area of operation of RRBs is confined to the area as notified by the Govt. of India covering one or more districts in the state.

The objective of setting up RRBs is to provide credit and other banking facilities to economically backward classes particularly to small & marginal farmers, agricultural labourers artisans and small entrepreneurs. It is asserted that RRBs have achieved great success in providing credit to the target group borrowers in the far-flung rural areas. But RRBs over the years are losing their financial viability due to some constraints such as high overdue, weak recovery, the supply of inadequate finance, high transaction costs etc. In this paper, an attempt has been made to cutely identify the problems faced by RRBs at the operational level, and the end offers several suggestions to improve the performance of RRBs in India.

This paper is based on secondary sources like Annual Reports of RBI, NABARD, GOI Reports, books, Journals & Websites etc.

Keywords: RRBs, RBI, NABARD, Rural Development Rural Credit, Financial Viability.

INTRODUCTION

Rural Population of India constitutes about 80% of the total population of the country. Most of the rural people suffer from a great deal of poverty as well as unemployment. They are subject to exploitation in the credit market due to lack of adequate institutional credit. In 1969, All India Rural Credit Survey Committee recommended a multi agency approach in providing rural credit requirement of rural people, a new category of institutional sources of rural credit emerged. This is what is known as Regional Rural Bank.

OBJECTIVES OF THE STUDY :

The present study aims at the following :

1. To study the concept and genesis of RRBs.
2. To highlight the role of RRBs as an agency for creating banking habits among rural people.
3. To list out the problems faced by RRBs.
4. To offer suggestions for strengthening RRBs.

RESEARCH METHODOLOGY:

The present paper depends on information already available from published reports of RBI, RRB, NABARD, books and journals and reports of Govt. of India. Various websites have also been used for the preparation of this paper.

GENESIS OF REGIONAL RURAL BANKS

The establishment of Regional Rural Banks (RRBs) in India is a landmark in the banking history of India. The RRBs were established on 02 Oct. 1975 under the provision of the Regional Rural Banks Ordinance, 1975 promulgated by the Govt. of India on 26 Sept. 1975.

Initially, five RRBs were set up at Moradabad and Gorakhpur in Uttarpradesh, Bhiwani in Haryana, Jaipur in Rajasthan and Malda in West Bengal. Each RRB has an authorized capital of Rs. 1 crore and issued capital of Rs. 25 lakh. Of the issued capital 50 per cent is subscribed by the Govt, of India, 15 per cent by the concerned State Govt,

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and the balance 35 per cent by the sponsor bank.

The management of each RRBs is vested in a nine-member Board of Directors headed by a Chairman who is appointed by the Govt. of India. All the RRBs established in the country have been included in the second schedule to RBI Act, 1934.

The Govt. of India is the major shareholder (50%) and invested with powers to issue directives to RRBs. After the establishment of the NABARD in July 1982, a certain function such as statutory inspection of RRBs has been transferred from RBI to NABARD by amending Banking Regulation Act, 1949. However, other statutory functions relating to scheduling, cash reserve SLR requirement, branch licensing, etc. remain with RBI. NABARD has also been overseeing the functioning of RRBs on behalf of Govt. of India and has also been issuing guidelines & instructions, wherever necessary, in consultation with the Govt. of India. NABARD is the regulatory body of RRBs.

The objective of setting up RRBs is to provide credit and other banking facilities, especially to small and marginal farmers, agricultural labourers, artisans and small entrepreneurs in the rural areas. Each RRB works within the local area specified by notification of the Govt. of India.

ROLE OF REGIONAL RURAL BANKS

Rural Banking is the process of conducting banking business in the rural economy where bank branches are too far away to be of use. The importance of rural banking in the economic development of a country cannot be overlooked. Mahatma Gandhiji said Real India lies in villages develop village economy is the backbone of India. Without the development of rural economy, objectives of economic planning cannot be achieved. RBI in association with other commercial banks has taken various initiatives to build up a robust financial system (by offering versions loans) RRBs also, by doing general banking business, are logging a key rate in the rural economy. In addition to the general banking business, RRBs are also providing the following services for rural development.

Opening of no-frills account: RRBs are encouraging rural people to open up the bank with

nil or minimum balance.

Relaxation on knows your Customer (KYC) norms: Since August 2005, KYC requirements for opening bank accounts were relaxed for small accounts RRBs are now permitted to take any evidence as to the identity and address of the customer to their satisfaction.

Business Correspondents: In 2006, RBI permitted banks to engage business facilitators (BFs) and Business Correspondents (BCs) as intermediaries for providing doorstep financial & banking services.

General Credit Cards (GCC) : To help the poor and needy people of the society, banks are advised to provide access to easy credit upto a certain amount at their rural and semi-urban branches.

AMALGAMATION OF REGIONAL RURAL BANKS

RRBs were established as a new set of state-sponsored, rural-oriented, region-based and low cost banks having the ethos of Co-Operative banks and Commercial banks for providing credit in rural areas, particularly to the weaker section of the society. It is argued that RRBs have achieved a great success in providing rural credit to target groups.

However, RRBs faced burgeoning losses and became unviable because of some impediments in the process of the banking business. Confronted with the situation, Govt. of India were forced to start reform process. During a review carried out by GOI in 2009 it was found Capital Risk Weighted Assets Ratio (CRAR) of RRBs was too low. Therefore, Dr K.C. Chakraborty Committee suggested to bring CRAR to at 9 per cent in a sustainable manner.

It was suggested by the Agricultural Credit and Review Committee to make as an amalgamation of unviable RRBs with sponsor bank for the creation of viable RRBs. Finally, it was decided to amalgamate some of the RRBs on grounds of contiguity in a particular region. The process of amalgamation has continued till June. 2014 and out of 196 RRBs in the year 2005, the number has been reduced to sixty four in March, 2013. And it has been 87 in July, 2013. The number of



RRBs has decreased due to amalgamation as compared to other banks. The Growth of RRBs is shown in the table below.

Table 1: Growth of Regional Rural Banks

Year	No. of Commercial Banks	Scheduled Commercial Banks Excluding RRBs	No. of RRBs	Non-scheduled Commercial Banks.
2005	288	88	196	4
2006	222	85	133	4
2007	183	83	96	4
2008	175	80	91	4
2009	170	80	86	4
2010	169	83	83	4
2011	169	83	82	4
2012	173	87	82	4
2013	155	87	64	4

Source: RBI Banking Report, 2013.

PROBLEMS & CHALLENGES OF REGIONAL RURAL BANKS :

RRBs, so to say, had a rapid expansion of branch network and increase in the volume of banking business. Still RRBs are facing the following problems today.

1. RRB's are facing the problem of inadequate finance. They are to depend on NABARD to collect finance for their future operation. Poor rural people are unable to save anything due to poverty and low per capita income. The low level of saving of rural people creates an obstacle for RRBs to collect deposits.
2. High overdue and poor recovery of loan is one of the biggest concerns affecting the functioning of RRBs. The reasons for such high overdue and poor recovery are poor access of granting loans, untrained staff-unproductive or less productive use of credit, inadequate production, poor marketing facilities and improper channel of recovery system.
3. There is also a problem of regional imbalance in banking facilities provided by RRBs. This problem is created due to the concentration of bank branches in some specific regions and districts. As a result RRBs are losing other prospective customers.
4. May RRBs are suffering from the problem of

heavy loans because of low repaying capacity of their customers, low level of deposits and heavy sanction of loan without considering the creditworthiness of the customers.

5. Lack of proper co-ordination between RRBs and other financial institutions like commercial banks NABARD and Co-operative banks has badly affected the performance of these banks.
6. RRBs have not still played a significant role in poverty alleviation of the country. Various efforts on the part of RRBs have been made but lack of economic infrastructure, poor knowledge of customers, low level of production, low awareness about savings have created many hurdles for RRBs.
7. Staff with low commitment to functional efficiency also adversely affect the working of RRBs.
8. Inadequate exposure and skills to innovate products are also limiting the lending portfolios of banks.

SUGGESTIONS

1. The state Govt. should take keen interest in the growth of RRBs.
2. RRBs may be permitted to lend up to 25% of their total advances to the richer section of the village society so that overdue may be reduced.
3. The unique role of RRBs in providing credit facilities to the weaker sections in the village must be preserved. RRBs should work as rural bank for the rural poor.
4. Local staff may be appointed as far as possible.
5. Participation of local people in the equity share capital of RRBs should be allowed and encouraged.
6. There should be a uniform pattern of the interest rate structure for rural financial agencies.
7. RRBs may relax their lending procedure and make them easier for village borrowers.
8. Co-ordination between District level Development Planning and District Level Credit Planning is also required to chart out the specific role of RRB as a development

agency of the rural areas.

9. RRBs may initiate certain new insurance policies like deposit-linked cattle and other animal insurance policies, crop insurance policies or life insurance policies for rural depositors.
10. RRBs must strengthen the credit administration system by way of credit appraisal, monitoring the progress of loans and their efficient recovery.
11. RRBs may join in consortium finance with public sector bank/Development financial institution (DFIs)
12. Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest Act (SARFAESI) 2002 may be extended to RRBs.
13. RRBs may take up steps to constitute more legal cells and tribunals, recovery branch. NPA management department etc for speedy recover) of NPAs in addition to existing methods.

14. Measures should be initiated to deploy credit to potential & productive sectors so that credit deployment may rise in proportion to deposits.

CONCLUSION

Today RRBs are facing several impediments in their holistic growth. To overcome there, RRBs should not only confine to agricultural sector but also provide banking services and other benefits to small entrepreneurs, village & cottage industries and small farmers. RRBs need to remove lack of transparency in their operation which leads to unequal relationship between banker and customer. And the RRBs should established proper co-ordination with co-operative banks. Commercial banks, other institutional agencies and local participant to enhance their capability. Besides, in this competitive era, RRBs have to concentrate on speedy, qualitative and secure banking services to retain existing customers and attract potential customers.

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Impact of Credit Rating on the Stock Returns and Capital Structure: A Case of Automobile and Auto-Ancillary Companies Rated by CRISIL & ICRA

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&

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ABSTRACT

According to Security Exchange Board of India (SEBI) and other capital market regulatory bodies, every company, whether Private or Public Ltd. needs to get credit rating by a third party on a regular interval or before raising capital from the public. For any company, the subsequent rating may be better or worse than the previous rating. Credit rating comprises a detailed analysis of the debt-equity ratio, threats from the new competitors and the status of the company fundamentals in the market. The rating is a proxy of the standard of safety of the investment. Higher the rating, the safer is the investment and lesser is the risk of default in paying back the capital raised from the public. Investors always make a comparison of low-rated firms and high-rated firms while taking an investment decision and prefer to buy the stocks of high-rated firms. The earlier works of literatures gave an idea that downgrading of the credit rating adversely affects the stock market, as the investors react negatively to the credit rating reports.

In this paper, we have adopted both qualitative and quantitative research methods for the study. Our study is conducted on twenty-five auto and auto-ancillary companies listed under Bombay Stock Exchange and these have got 61 changes in the ratings for the period 2008 to 2018. With a sample of 61 data points, our attempt is to study the effect of the changes in the credit rating on the capital structure of the Indian automobile and auto ancillary companies listed under the Bombay Stock Exchange. The companies under study are Indian companies rated by CRISIL and ICRA. It was found that some companies experience greater impact on the market price of the shares due to the change in credit rating while most of the automobile companies did not respond to the credit rating. As per the previous literatures, it is expected that poor rating leads to a significant impact on the stock price.

Key Words: Credit ratings, EPS, valuation of the firm, return on Asset
JEL Classification: G 24 & G 32

1. INTRODUCTION

While raising money from the public, companies need to have enough trust from public. Whether the instrument of raising capital is debt capital or equity capital, the image of company matters a lot. A Credit rating gives a picture of the financial soundness of a company. With a poor image, getting both debt and equity capital from the becomes challenging. Thus, according to the Security Exchange Board of India (SEBI),

Security Exchange Commission (SEC) and other capital market regulatory bodies, every company, whether Private or Public Ltd. needs to get credit rating by a third party. Though for raising equity capital, credit rating is not much important, for raising debt capital or to issue bonds, it is very important and at the same time a poor credit rating could affect equity price in the stock market it is traded {(Goh and Ederington, 1993), (Robinson and Bangwayo, 2015)}. The

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downgrading of the credit rating of a company adversely affects the company's stock price in the market as investors react negatively to the credit rating reports which comprises a detailed analysis of debt-equity ratio, threats from new competitors and deterioration of company fundamentals in the capital market. Investors always make a comparison of low-rated firms and high-rated firms while taking investment decisions and prefer to buy stocks of high-rated firms. (Avramov, et. al., 2006). Credit rating is a proxy to the standard of safety of the investment. Higher the rating, safer is the investment and lesser is the risk of the investment.

The remaining part of this paper is classified into four sections. Section-1 makes a review of selected research papers studied in the context of credit rating and its impact on stock returns followed by identification of the research gap from the literature review. Section-2 tells about the research problems, objective of the study, research methodology, description of variables under study, hypothesis of the study and tools & techniques to be used in analysing data for testing objectives of the study. Section-3 deals with data analysis using some statistical techniques and hypothesis testing. Section-4 describes the findings of the current study and compares it with the previous studies as mentioned in the literature. Also, Section-4 covers limitations of this study, future research scope of this study and suggestions to industry practitioners, researchers and companies related to credit ratings and stock brokerage houses in general.

2. LITERATURE REVIEW

Holthausen and Leftwich., (1986) have studied the change in bond ratings in both upward and downward conducted by Moody's and S&P between 1977 and 1982. They have compared a total of 1014 ratings' impact on the stocks' exponential return by using regression, window average, average prediction errors and window average prediction errors. They found a significant association of credit downgrades with negative abnormal stock returns even after removing or adjusting the event effects. However, with positive changes in the rating, the stock returns have not performed significantly. This is because the downgrading of credit rating has a lot of

information in comparison to that of an upgrading.

Jegadeesh and Titman (1993) have studied the relative strength return of small, medium and large firms from 1965 to 1989 at six months interval and found that the compounded average return (CAR) is 12.01% per annum. They studied the momentum-based trading strategy for buying and selling the stocks of past winners and buying and selling the stocks of past losers over a specified period. Using the serial covariance, serial correlation, relative strength profit and lead-lag effect, they found that the payoffs from buying the stocks of past winners and selling the stocks of past losers provide a statistically significant profit over the other strategies. Thus, the result does not confirm to the weak form of market efficiency of the Efficient Market Hypothesis.

Goh and Ederington (1993) found credit ratings' downgrades have significant adverse effect on the stock return. They mentioned the reasons of credit-rating downgrading are increase in debt-equity ratio, growth in firm's risk, threats from a new competitor and deteriorating company's financial projections which results in the reduction of the stock prices of the company. They discovered that the downgrading of bond rating increases the coupon rate of the bond, that is the cost of debt which increases the financial risk of the. The investor found bond investment is more rewarding as compared equity. So, the wealth transfer happens from the stock investment to bond investment and thus the stock price falls. The upgrading of credit rating has also influenced positively to the stock price but the strength of influence is insignificant. They used a t-test to find the significance of the stock price change for both downgrades and upgrades.

Billet, et al. (1998), compared the impact of a credit rating on the stock prices of the rated companies across different industries and tested the null hypothesis which proved that the credit rating affects more to the stock prices of corporates than that of the banks. The underlying idea for the hypothesis is that the banks do operate under a highly regulated environment with government support as the public money is involved. Using independent t-test, the result of their study shows the downgrades in the credit rating deteriorate the banks stock return more than that of the corporate stock return.



Gropp and Richards (2001) verified the event study of credit rating changes for those European banks that have issued both debt capital and equity capital from the public. The study was based on 186 rating changes of 32 European banks during the 12 years, ranging from 1989 to 2000. They examined the unexpected credit rating changes (upgrades/downgrades) of the banks by the rating agencies and the effect therefrom on the bond and the stock prices (increase/decrease) of the concerned banks. They also tried to find out whether the bond and the stock prices react in a similar fashion to the changes in the credit ratings. They examined these effects with the underlying assumption that the wealth transfer may happen from bond to equity and vice versa, based on the changes in the credit rating.

Linciano (2004) has studied 299 changes in the ratings of Italian firms by Fitch, Standard & Poor and Moody. He found that the credit rating downgrading has got a significant direct impact on the stock returns. But when the credit ratings upgrade, the effect on stock returns is not significant. A credit rating is an event that is dependent events like contemporary news, changes in profit and the sector performers which in turn prompted by the events of merger and acquisition.

Using the default likelihood probability for the underlying debt capital, Vassalou and Xing (2003) examined the relationship between the market prices of the stock and the credit rating of the debt capital instrument of the company. For this purpose, they took the help of Merton's model which determined the default probability based on the parameters like a book to market value, credit rating and momentum pay-off. Along with Merton's model, they applied the Fama-French three-factor model (Fama & French, 1993) and Black-Scholes Option pricing model to find out the new return of the equity that serves as the proxy for the value of call option by taking the cost of bond set as the proxy against the strike price. The result of such an extensive study shows that the abnormal negative return from the credit-rating downgrading is significant during the very short period of one or two months. But over a horizon of 2 to 3 years of the downgrade rating, the abnormal negative returns disappear. It is because most of the firms experiencing a credit rating downgrading has also

got the subsequent ratings downgraded in the next two to three years. The main finding of their study is that the subsequent return has increased significantly from the stocks after the credit rating of the firms whose default risk has increased substantially than that of a decrease in the default risk.

Yongtae & Sandeep., (2003) have made a cross-sectional analysis to test both the hypothesis designed by Holthausen and Leftwich (1986). For this purpose, they have selected 184 observations of change in bond ratings by the rating agencies, out of which 121 observations show the downgrading of the ratings. They selected the bond rating appraised by Moody and S&P during the period from 1991 to 1995. Using event study, multiple regression and sensitivity analysis, they studied the response of the stock price of the company to the downgrading rating of the bond. They found that the stock prices fall immediately and significantly in response to the negative ratings of the bond. The public understands that the credit rating agencies have an important role in safeguarding their invested money and thus they should update the public with the information when there is a downgrading. But when there is an upgrading of the Bond rating, the public does not react promptly to the information.

Avramov, et. al., (2006) tested the effect on momentum profitability due to an improvement or deterioration of the credit rating among 3758 firms listed in NASDAQ, AMEX and NYSE. These firms were rated by Standard & Poor. They picked up the monthly stock price data of these 3758 companies from July 1985 to December 2003 period. They have observed the existence of momentum pay-off differentials among the low-grade firms by the rating agencies and the non-existence of the same among the high-grade firms. The results of their study are matching the results of Hand. et al (1992) and Goh and Ederington (1993), which imply that a credit rating downgrade results in a decrease of the stock prices. There are also significant results during and after the event date. That implies that the market is not efficient in managing new information since there are still abnormal returns after the event date.

In his master thesis of Ph.D., Broek (2014), analysed the effect of credit rating changes in

market leverage, investment and speculation, by comparing a pre-crisis (2004-2007) and crisis (2008-2011) faced by the firms in the US market with a sample size of 518 downgrades and 679 upgrades of bond ratings. He found in the pre-crisis phase of the economy, the impact of the downgrades on the return was negative but not significant. It is because the firms with downgraded rating generally reduce the leverage instead of increasing the leverage. But, the firms with upgraded rating, significantly increase their leverage in the pre-crisis period. When the same firms enter into the crisis period, the downgraded firms in the subsequent period of the downgrade, significantly reduce market leverage in comparison to other firms since the impact is negative.

Robinson and Bangwayo (2015) reviewed the credit rating of sovereign debt restructuring and its impact on stock prices in the Commonwealth Caribbean region. The study was conducted on the reviews of sovereign debt restructuring for a period from 2001 to 2015. In their study, they have used a t-test on stock turnover ratio, mean CAR and debt to GDP ratio for eight countries lying in the Commonwealth Caribbean region i.e. Bahamas, Barbados, eastern Caribbean, Guyana, Jamaica, Trinidad and Toago. They used the event study methodology to correct the impact of credit rating reviews on stock trading. The events like credit rating, debt restructuring, stock index price, external debt notifications, litigation cases, GDP news, maturity extensions, change in interest rates announcements, news on NPV losses were studied for the said period against stock market efficiency of these eight countries. The sovereign debt restructuring and its review has a positive impact on the stock trading in Jamaica whereas for seven other countries of the Commonwealth Caribbean region, the sovereign debt restructuring has no significant relationship and impact. From the impact on the stock trading, they found out that these Commonwealth Caribbean regions are not fit to the form of semi-strong market efficiency. It is because they found that the stock markets delay the news or the events of credit rating reviews.

Timmermans (2016) has studied the possibilities of abnormal return over the change in long term credit ratings of the corporates. He examined a

sample of 1273 rating-changes in long term credit ratings, historical daily stock adjusted closing prices with the events of stock splits and dividends declared of 16 developed market country indices of Europe. These 16 European countries are Austria, Belgium, Denmark, Finland, France, Germany, Greece, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, and the United Kingdom & he took MSCI Europe index as a benchmark for comparing the effect of the events of stock split, change in credit rating and dividend declaration. He found only significant cumulative average abnormal returns as the reason for the deterioration of long-term credit rating.

There are also significant results during and after the event date which implies that the market is not efficient in managing new information due to the prevailing abnormal returns after the event date. The multivariate regression shows no significant results for the price pressure hypothesis. The multivariate regression further indicated that markets do not react in a stronger way for credit rating changes before 2007 and for initial ratings that have investment grade. The univariate analysis and multivariate regression revealed that small firms have larger abnormal returns which are in line with the firm size effect as documented by Bernard and Thomas (1990).

RESEARCH GAP AND RESEARCH PROBLEM

The earlier research studies are concentrated either on the impact of rating changes on the stock price of the concerned company or on the relevance of credit rating for the procurement capital from the public. Most of the literatures, studying the impact of the changes in the bond rating on the stock prices, basically advocate, the stock prices are significantly affected by the downgrading of the ratings. Almost all the research papers, we studied, speaks about the stocks rated by Standard & Poor, Moody's and Fitch ratings. These research works were conducted for the companies listed in Dow Jones index or in NASDAQ or any international stock exchange. In the Indian context, it is rare to find a study on the impact of credit rating on the stock prices. There were also very few literatures pertaining to the association of the credit ratings



and the capital structure. This paper endeavours to study the effect of the changes in the credit rating on the capital structure of the Indian automobile and auto ancillary companies listed under Bombay Stock Exchange and rated by CRISIL and ICRA.

Objective of the Study and Summary

The current study has two research objectives.

- 1) To study the effect of Price to Earning, Earning Per Share, Return on Equity and Return on Asset on rating changes.
- 2) To study the effect of credit rating on the market price of the shares. It is expected as per the previous literatures that a poor rating leads to significant impact on the stock price. Here the question is whether the credit rating serves as a lagging indicator.

3. RESEARCH METHODOLOGY

The study is based on both quantitative and qualitative data. The credit rating data collected from CRISIL and ICRA are qualitative in nature whereas the financial data related to the companies are quantitative in nature. The present study is conducted on twenty-five auto and auto-ancillary companies listed under the Bombay Stock Exchange have got approximately 61 changes in the ratings for the period 2008 to 2018. Thus, a sample of 61 data points is collected to carry on the research.

Variable under study & their Description: The study is mainly focused on the stock prices of the selected companies and their credit rating. For the impact of rating changes on capital structure and business of the company, we have examined the variables like Debt-to-Equity ratio (D/E ratio), return on asset (ROA), return on equity (ROE), earning per share (EPS), dividend pay-out ratio (D/P Ratio) and Price to Earnings ratio (P/E ratio). We have quantified the credit rating codes of CRISIL and ICRA to standardize the ratios as they are not coded in identical manner.

To study the effect of PE, EPS, ROE and ROA over the credit rating we have used the OLS regression. Similarly, to know whether there is a significant impact of the change in rating over the stock prices in the following period we have used autoregression technique of first-lag and second-

lag. Serial correlation may be used to know whether the return data has got a significant association with the event of credit rating changes in the following period.

We have also used the autoregression to study the impact of credit rating changes on the stock price movement. For this, we have considered monthly closing stock price data of the concerned companies. In our study, a credit rating announcement is an event and the closing stock prices are captured two months before and two months after the announcement of the credit rating. We have taken a maximum of 3 lags to study the impact of credit rating.

We have conducted all the tests using Ms-Excel 2016 and SPSS 19.

4. DATA ANALYSIS

To examine the effect of financial ratios on the credit rating, we have run the regression model of a credit rating on Return on capital employed, Return on assets, Total debt-equity, basic EPS, price earning multiple and Return on net worth and the result is shown in table 1. We found the credit rating of the automotive axle is affected by basic EPS negatively whereas the other of the ratios do not have any significant impact at 5% level. Amara raja power system Ltd.'s 3 ratios, namely, return on capital employed, total debt equity and return on net worth have major impact on the credit rating of this company. It has got 5 credit rating changes out of 11 ratings (long term debt financing) evaluated during 2008 to 2018. Similarly, the credit rating of Atul Auto experienced a significant impact from the ratios like namely return on assets, total debt-equity, basic EPS, price earning multiple and return on net worth.

Swaraj Auto's credit rating is negatively affected by its return on capital employed whereas that of VST Tillers and Tractors has got a positive impact from the same ratio i.e. the return on the net worth affect the credit rating of VST Tillers negatively. The credit rating of Lumax Auto Technologies has 4 significant factors namely return on capital employed, return on assets, total debt-equity, and return on net worth. This company has got 2 credit rating changes throughout the study period and the return on asset and total debt to equity have got significantly negative impact over its credit rating.

Table-1: Regression Model of Credit rating on Profitability ratios.

		Return on Capital Employed (%) x1	Return on Assets (%) x2	Total Debt/Equity (X) x3	Basic EPS (Rs.) x4	Price Earn- ing x5	Return on Networth / Equity (%) x6
Maruti Suzuki	Co-efficient	0.000	0.000	0.000	0.000	0.000	0.000
	Significance (P value)	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
Ashok Leyland	Co-efficient	-0.153	0.179	-1.343	0.100	-0.005	-0.001
	Significance	0.301	0.520	0.060	0.557	0.295	0.637
Automotive Axles	Co-efficient	0.437	0.394	0.229	-0.120	0.001	-0.384
	Significance	0.089	0.115	0.894	0.009	0.722	0.152
Bajaj Auto	Co-efficient	0.000	0.000	0.000	0.000	0.000	0.000
	Significance	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
JBM	Co-efficient	0.004	0.212	0.104	-0.052	0.006	-0.014
	Significance	0.864	0.755	0.855	0.093	0.339	0.942
Amara Raja Power Systems Pvt. Ltd.	Co-efficient	-1.505	0.119	-8.849	-0.041	-0.014	1.117
	Significance	0.043	0.585	0.040	0.446	0.369	0.035
Tvs Motors	Co-efficient	-0.408	2.436	1.943	-0.412	0.107	-0.519
	Significance	0.420	0.305	0.435	0.353	0.220	0.291
Bharat Forge Ltd.	Co-efficient	-0.085	-0.181	-0.668	0.053	0.027	0.095
	Significance	0.576	0.360	0.371	0.191	0.098	0.305
Eicher Motors	Co-efficient	-0.592	-0.111	17.840	0.002	-0.005	0.641
	Significance	0.873	0.495	0.413	0.146	0.726	0.861
Exide	Co-efficient	-0.005	-0.017	-1.728	0.025	0.006	0.020
	Significance	0.824	0.901	0.508	0.486	0.492	0.826
Atlas Cycles	Co-efficient	2.610	31.040	-3.025	-0.286	-0.280	-8.845
	Significance	0.628	0.406	0.815	0.614	0.434	0.461
Atul Auto	Co-efficient	0.000	-0.139	-0.056	0.048	0.077	0.105
	Significance	0.937	0.003	0.001	0.000	0.001	0.002
Wheels India Ltd	Co-efficient	0.020	1.411	-0.524	-0.059	0.031	-0.211
	Significance	0.945	0.051	0.244	0.231	0.109	0.096
Sml Isuzu Ltd	Co-efficient	0.000	0.000	0.000	0.000	0.000	0.000
	Significance	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
Munjal Showa Ltd	Co-efficient	0.000	0.000	0.000	0.000	0.000	0.000
	Significance	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
Balkrishna Ind	Co-efficient	0.000	0.000	0.000	0.000	0.000	0.000
	Significance	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
Hmt Ltd	Co-efficient	0.000	0.000	0.000	0.000	0.000	0.000
	Significance	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
Tvs Srichakra	Co-efficient	0.021	-0.019	-0.425	0.006	0.051	0.005
	Significance	0.602	0.841	0.217	0.495	0.199	0.867
Jamna Auto Inds. Ltd.	Co-efficient	-0.409	0.994	-1.015	-0.091	0.048	-0.047
	Significance	0.482	0.407	0.693	0.939	0.940	0.864
Swaraj Auto	Co-efficient	-6.203	4.311	-53.266	-0.406	0.372	3.902
	Significance	0.045	0.306	0.631	0.558	0.437	0.058
Minda Industries	Co-efficient	-0.380	0.629	-1.391	0.028	0.019	0.039
	Significance	0.471	0.608	0.234	0.820	0.930	0.744



India Motor Parts and Accessories	Co-efficient	0.000	0.000	0.000	0.000	0.000	0.000
	Significance	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!	#NUM!
Rico Auto	Co-efficient	0.049	2.882	3.000	1.899	0.089	-2.114
	Significance	0.904	0.210	0.388	0.643	0.065	0.095
Vst Tillers Tractors	Co-efficient	0.895	-0.204	-0.027	-0.010	-0.038	-0.737
	Significance	0.004	0.443	0.052	0.753	0.694	0.035
Lumax Auto Technologies	Co-efficient	0.345	-1.437	-10.868	0.089	-0.014	0.254
	Significance	0.001	0.000	0.001	0.087	0.262	0.004

Source: Calculated by the researcher

Maruti Suzuki, Bajaj Auto, HMT Ltd, India Motor Parts and Accessories, Munjal Showa Ltd, SML Issuzu, Balkrishna Ltd does not have any coefficients as they have got a stable credit rating in the study period. As there is no variation in the ratings, it cannot be explained by the corresponding variation in the profitability ratios. Thus, we got no regression value for the said companies.

The return on assets of Atul Auto has got a co-efficient of -0.139 which means if ROA of Atul Auto will increase by one unit the credit rating will fall by -0.139. As ROA is the ratio of Net profit to Average Total Assets, an increase in ROA happens either due to an increase in net profit or due to a decrease in average assets. By referring to the financial statements of Atul Auto, we observed the decrease in average asset happened due to the increase in the asset at a higher rate as compared to the increase in net profit. The asset was increased by using the long-term liabilities which is a mix of increase in reserves and almost constant equity capital. Thus, the company's EPS is increasing which has a positive impact on the rating. The company has also increased the retention ratio from 53% to 79% which shows the company is growth oriented and depicts that the increase in EPS has a positive impact on the credit rating.

Thus, it can be concluded that the credit rating of some companies is significantly dependent on certain profitability ratios. But the degree and direction of dependency may vary from company to company based on the mix of capital and the management's decision towards the capital structure of the firm.

Our second objective is to know whether stock price movements are associated to change in

ratings. To test the impact of change in credit rating over stock prices, we have used auto regression model on the stock returns with first-lag, second-lag and third-lag. But none of the companies in our sample, is found with a significant impact of credit rating on the stock prices in the third lag. Thus, we can only show the impact of credit rating changes till the second lag in table – 2. Stock return of eight out of twenty-five auto and auto ancillary companies (Refer Table – 2), show a significant impact from the change in credit rating in the first lag and stock return of six companies from these eight are being affected by the variation in credit rating both in first lag and second lag. Amara raja power system and TVS Srichakra Ltd. are the two companies showing the impact of credit rating changes on their stock prices in first lag but not in the second lag. When we look at the co-efficient of auto regression in table-2, we found only in two cases the change in ratings do positively impact stock returns and those happened for Amara raja power system and TVS Srichakra Ltd. In rest of the six cases, we found the AR co-efficient are negative irrespective of the lags and change in the credit rating (whether upgrading, downgrading or no change).

The six companies in which the AR found to be significant at both first lag and second lag are, Bharat Forge Ltd., Balkrishna Ind., Jamna Auto Ind. Ltd, Minda Industries, Atlas cycle and Lumax Auto Technologies Ltd. Each of the 25 companies have got 11 ratings during the period 2008-09 to 2018-19. Bharat Forge Ltd. has got 3 upgrades and 1 downgrade and is showing a negative impact. Balkrishna Industries Ltd. has got 0 upgrade and 1 downgrade and is showing a negative impact in the AR model. We can refer to the table to see the rest of the companies having

a significant impact in their stock return validated by the auto regression model.

Though the companies have got both the positive and negative remark in the rating schedule, the stocks return only shows a negative impact. In most of the cases, the companies have got no changes in the rating in the 10 years study period. Companies like Maruti Suzuki, Bajaj Auto, SML Isuzu Ltd, Munjal Showa Ltd, HMT Ltd and India Motor Parts and Accessories Ltd have got a constant rating each year in the study period. Whereas Automotive Axles, Bajaj Auto, Eicher Motors, Exide, Atul Auto, TVS Srichakra have got

no downgrading in their credit rating. In the case of Lumax Auto Technologies, it has got 0 downgrading and 2 upgradings in its rating whereas in that relevant rating period the stock return of the company was affected negatively which is significant at 1% level which means that even without downgrading the stock return may go negative. Though Jamna Auto and Minda Industries have got 6 upgradings in their rating but the impact of the upgradation seems to be negative for these two companies. Thus, we arrive at the conclusion that the change in the credit rating may not change the return of the individual stocks irrespective of their direction of change.

Table 2: Auto-Regression Test of Stock return based on the changes in rating (event study)

COMPANIES	Model Summary									Co-efficient		Significance (P value)	
	No changes	Up grade	Down grade	Multi-ple R	R Square	Adjusted R Square	Standard Error	Observations	Significance F	Yt-1	Yt-2	Yt-1	Yt-2
Maruti Suzuki	10	0	0	0.020	0.000	0.0017	0.261	119	0.9759	-0.05	0.00	0.83	1.00
Ashok Leyland	6	2	2	0.118	0.014	0.003	0.122	117	0.4491	0.03	0.11	0.73	0.23
Automotive Axles	9	1	0	0.170	0.029	0.012	0.123	117	0.1891	0.04	0.16	0.63	0.08
Bajaj Auto	10	0	0	0.177	0.031	0.017	0.061	43	0.5309	0.02	-0.17	0.89	0.26
JBM	7	1	2	0.222	0.049	0.033	0.158	118	0.0554	0.14	0.15	0.12	0.11
Amara Raja Power Systems Pvt. Ltd.	5	2	3	0.236	0.056	0.039	0.096	117	0.0381	0.23	0.03	0.02	0.78
Tvs Motors	8	1	1	0.164	0.027	0.010	0.124	117	0.2126	0.08	0.13	0.37	0.15
Bharat Forge Ltd.	7	2	1	0.451	0.203	0.189	0.316	118	0.00002	-0.47	-0.27	0.00	0.00
Eicher Motors	7	3	0	0.047	0.002	0.015	0.098	117	0.88	0.02	0.04	0.79	0.67
Exide	9	1	0	0.042	0.002	0.016	0.087	117	0.90	0.02	0.04	0.81	0.70
Atlas Cycles	6	1	3	0.465	0.216	0.202	0.265	117	0.00	-0.44	-0.33	0.00	0.00
Atul Auto	8	2	0	0.146	0.021	0.015	0.111	57	0.56	0.15	0.00	0.29	0.98
Wheels India Ltd	7	2	1	0.184	0.034	0.017	0.142	117	0.14	-0.18	0.03	0.06	0.69
SML Isuzu Ltd	10	0	0	0.109	0.012	0.005	0.132	117	0.50	0.11	-0.01	0.24	0.88
Munjal Showa Ltd	10	0	0	0.114	0.013	0.004	0.101	118	0.47	0.11	-0.01	0.22	0.96
Balkrishna Ind	10	0	1	0.472	0.223	0.209	0.396	120	0.00	-0.47	-0.21	0.00	0.02
HMT Ltd	10	0	0	0.472	0.223	0.209	0.396	120	0.00	-0.11	-0.02	0.26	0.86
TVS Srichakra	7	3	0	0.105	0.011	0.006	0.150	117	0.53	0.19	0.13	0.05	0.15
Jamna Auto Ind. Ltd.	3	6	1	0.252	0.064	0.047	0.124	117	0.02	-0.61	-0.22	0.00	0.04
Swaraj Auto	5	4	1	0.511	0.262	0.249	0.331	118	0.00	0.31	-0.09	0.08	0.59
Minda Industries	3	6	1	0.299	0.089	0.034	0.211	36	0.21	-0.55	-0.33	0.00	0.00
India Motor Parts and Accessories	10	0	0	0.107	0.011	0.006	0.163	118	0.52	0.04	0.07	0.69	0.45
Rico Auto	6	1	3	0.080	0.006	0.011	0.076	118	0.69	-0.05	0.09	0.59	0.34
VST Tillers Tractors	8	1	1	0.280	0.078	0.049	0.088	65	0.08	0.24	0.09	0.06	0.47
Lumax	8	2	0	0.536	0.287	0.271	0.315	93	0.00	-0.51	-0.27	0.00	0.00



It has been observed that the companies which have got significant impact of the profitability on the credit rating, are mostly not the same companies for which we got a significant impact of credit rating on the stock return except Amara Raja Power System Ltd, Automotive Axles and Lumax Auto Technologies. Companies namely Bharat Forge Ltd, Atlas Cycles, Balkrishna Industries, TVS Srichakra, Jamna Auto Industries and Minda Industries, although witnessed the impact of their credit rating on their stock return but have no significant effect on their profitability ratios. This means that there is a very thin relationship between the profitability ratios and the stock returns. It is also obvious from the summary table (Table-2), as the R^2 and the adjusted R^2 are much below 0.5 (the standard value for accepting a model in social science research).

In table-2, it is found that eight out of twenty-five auto and auto ancillary companies experienced a significant effect of rating from the previous period and six out of them are getting a significant impact from the second previous period. So, the credit rating serves as a lagging indicator for these eight companies and six companies at first lag and second lag respectively.

5. FINDINGS

The result of our study does not agree with the findings of Goh and Ederington (1993), Linciano (2004), Gropp and Richards (2001) Holthausen and Leftwich (1986) who witnessed the negative market reaction to the downgrading of credit rating. Going deep into the factors affecting the stock return of these Indian automobile companies, we established a chain relationship between profitability ratios, credit rating and stock returns. First, we see stock returns are a function of credit rating. Second, Credit rating is a function of profitability ratios like Return on capital employed, return on assets, Total debt equity, basic EPS, price earning multiple and Return on net worth. Though there is a significant relationship between the ratio and credit rating, and credit rating with the stock prices for some of the companies but in a larger perspective, we got only three companies having significant relationship between profitability ratio and stock prices out of twenty-five companies. As three out of twenty-five is not a significant ratio, so we can

say that the change in a credit rating is not much influential in determining stock price changes.

Thus, in this study, we found that the change in ratings has not got a direct impact on the stock prices or the stock return of the concerned companies. Though for some of the auto companies we found credit rating having a significant impact on the returns, they are again mixed in their direction. These are sometimes negative and sometimes positive. In fact, most of the time they are inversely related as the regression coefficients are negative against the rating upgradation. Our result is an exception to the earlier studies written in the international context.

6. IMPLICATIONS OF THE STUDY

The proposed study will be beneficial for credit rating agencies, companies and investors. It will assist credit agencies to rate companies more wisely with an unbiased method so that investors in the capital market can confidently invest their fund in both debt and equity. For investors, this study has got immense importance as it is focussed on the change in the credit rating and its impact on the stock return and for companies, it will be helpful in their finance decisions.

7. LIMITATION OF THE STUDY

Our study is confined to the credit rating of twenty-five BSE listed Indian automobiles and auto ancillary companies. The information of these ratings is collected for a period of 11 years, i.e., from 2008 to 2018 where we mostly found ten to thirteen ratings per company and on an average two changes in the ratings. Our result may vary, if we study for a longer period and with more of companies under the same industry. We got only 62 changes in the credit rating at different points of time. If they would have happened at a regular interval and uniformly at a single point of time, we might have found a more significant result than what we got in this study. We have only considered the credit rating for long term loans and have not considered the short-term credit rating. The result may differ if we include the short-term rating with the long-term rating to find the impact of rating on the stock returns. Further, we confined our study to the profitability ratios only

as the deciding factor of credit rating.

8. CONCLUSION

For funding long term capital through bonds and debenture, lenders study the credit rating to understand credit worthiness of the companies. From the equity-holders' view point, credit rating is also very important. Equity holders believe that every company goes for rating its creditworthiness to follow some guidelines and compliance set by

SEBI. the credit rating also plays an important role to evaluate the risk of the business and calculate the expected return on equity. But it does not have any direct link with the increase in the stock price return. It can be one of the indicators for a firm's long run sustainability. Credit rating is determined by various components comprising quality and quantity indicators. To arrive at a concrete conclusion, we need to study with a broader perspective whether negative rating really decreases the stock price.

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Digital Marketing: Disruption, Expansion and Its Impact on Businesses

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ABSTRACT

The research paper is about Digital marketing: disruption, expansion, and its impact on businesses. In this research paper I will discuss about the various types of digital marketing tools used by companies. I will take three tools of the digital marketing and how they help the companies to attract more audiences. I have focused on SEM (Search Engine Marketing), use of websites and use of keywords. As digital marketing has become a useful tool for the companies and help them to lower down their cost of marketing activities therefore correct use of the tools like SEM is necessary for the companies to target the potential audience similarly properly use of websites is necessary to give useful information to the audience and with good content help the companies to draw more traffic, further how keywords are an important tool to increase the ranking of the websites in the search engine result page (SERP). Further I have discussed about the current trends followed by companies during covid-19 pandemic and to know whether digital marketing is a helpful tool to generate revenues for companies during this crisis. For my research I have focused on both primary and secondary data to find out how these digital marketing tools helps the companies in their business.

Keywords: Search Engine Marketing, website, use of keywords.

I. INTRODUCTION

As we all know marketing is a very wide term which is being used by many companies or say is used in every small or large business. We can also say that marketing refers to the activities used by the companies to promote their products and services. Marketing basically includes advertising of products, selling of products and delivering of the end product to the consumer and to other businesses.

Professionals those who are involved in a corporate world of marketing and promotion departments in the organisation try to seek their key potential audiences via advertising.

Promotional activities are mainly used by the businesses and companies to boost their sale for which they even take the help of celebrities, use phrases and even catchy slogans, take the help of graphic designers to design different and catchy packaging for their products and even utilise the help of all media platforms.

- In marketing there is a term called “marketing mix” which is also known as 4P’s – product, price, place, promotion.
- The main objective of marketing sell the

products and services of the company or businesses and try to identify its ideal customers, helps to draw the attention of their customers to the various products and services available for them.

Marketing as a term also means attracting the customers and building a relationship with them, and try to offer them the exact products and services they are looking for and converting their potential customers into permanent, marketing also helps in making their customers a loyal one towards their products and services.

When the company is able to match its products and services with that of its customers wants and needs it make the sale of goods and services and hence increase in the profitability for the company and business.

The four P’s of marketing are- Product, Price, Place and Promotion, collectively they are called marketing mix.

Let’s talk about them a bit,

Product

Product generally refers to the first stage and also the first “P” of marketing mix. It offers the items,

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goods, and services which the business have for its customers. The product offered the company should be good enough to capture the market and offer what the customer is actually looking for and should also have some distinct features so that it can be differentiated from the other competitors in the market. Before launching the actual product into the market the marketers should properly study the market as to what products are being sold in the market and what the customers have to offer, whether there is a substitute product of the same or not so that a proper marketing companying can be done.

Price

Then comes the second p of the marketing mix “Price”, it generally refers to for how much the company is ready to sell its product for. Before finalising the actual price of the product there are some things. Which the company should keep in mind like the cost per unit price, its marketing cost and the distribution expenses. The companies should also keep in mind that the prices set by their competitors selling the alternative products so that it’s easy for the customers to switch between the two.

Place

Third “P” refers to the place where the final distribution of the product has to be done. For this the company decides various distribution channels like whether to sell the product via physical store, online or both. What should be sold in a storefront, and which type of product placement should be done? And when it’s sold online which digital product placement should be done?

Promotion

When we talk about promotion it’s the last “P” of marketing mix it involves various marketing campaigns which include activities like advertising, selling, sales promotion, public relations, direct marketing, sponsorships, etc. before promotion the company finalises the other 3 “P’s” and depending on that it promotes the product to the target customers.

Keeping 4P’s in mind every organisation plans their marketing strategies which can help them

to grow their business and create their brand image in the market. Marketing is an important tool for every business organisation as with the help of proper marketing they can showcase their products and services in the market and get a suitable position in the market.

When we talk about different marketing methods there are two main forms of marketing that comes in our mind, traditional marketing and digital marketing. As we all know traditional marketing is the oldest form of marketing which is still used by many companies use of newspapers hoardings etc. are some of the traditional marketing techniques used by companies to make people aware about their existence in the market and to attract customers but with the changing scenario and changing techniques companies have changes their marketing techniques and shifted from traditional to digital marketing, digital marketing is a common term which is used now a days by every other business men of organisations, as this is the tool that helps the organisations to reach a wide amount of audience within a less span of time, its comparatively cheaper than traditional marketing therefore all the small companies try to take full advantage of this marketing technique. Talking further digital marketing give companies a platform to present their products and services on a digital/ online platform as now a days use of internet is very common and every other person has a mobile phone with an active internet connection, this allows companies to advertise their products and services online and target large market.

Digital marketing tools like website, SEO,SEM, etc allows companies to know more about their customers taste and preferences and allow them to offer exactly the same product or service which their targeted audience is looking for. in this research we have mainly focused on digital marketing and some of its tools like use of website in attracting audience’s attention.

Use of keywords that can help companies to attract more traffic and help to show their website on higher level in the Search Engine Result Page (SERP), further we talked about the use of SEM in overall growth of digital marketing and is SEM a great tool in order to boost the company’s performances in the digital channels.



Further we have also collected the data from which we would be able to identify how much budget does the companies set for their different marketing activities, from which social media platform does companies get more traffic and from which platforms they are able to earn more revenues. In addition to this considering the current situation of Covid19 pandemic, how companies are adapting the changes and is there any change in their marketing techniques or not. Is digital marketing a better option in this time of crisis to generate revenues for their businesses? And to know which digital marketing trends do they follow.

Traditional marketing

Traditional marketing is the oldest and very common form of marketing which also encompassing the advertisement that we see and hear every day and can be categorised into four types:- print, broadcast, direct mail, and telephone.

It is also a conventional mode of marketing that helps the companies to reach out semi-targeted audiences with various types of offline advertising and promotional methods.

Traditional marketing is a type of marketing which is very hard to ignore and includes the traditional ads we encounter on a daily basis. Many of the common and most tried offline marketing are as follows:-

1. Print which include -magazines, newspapers, etc.
2. Broadcast which include TV, radio, etc.
3. Direct Mail which include-catalogues, postcards, etc.
4. Telephone which include -telemarketing, sms marketing, etc.
5. Outdoor which include-billboards, fliers, etc.

History of Digital Marketing

1990s was the year when digital marketing was first introduced. This was the time when internet was introduced and development of Web 1.0 was under process. Web 1.0 use to allow users to find the information they are looking for but it didn't allow them to share that information over the web. As at that point of time the use of internet was not that much popular as people were still

unaware of this term and considering this the marketers were still unsure of the use of digital platform.

The digital era started in the yr 1993 when the first clickable banner went live, and this was then purchased by Hot Wired for their advertising. By this gradual shift in the marketing methods in the yr 1994 and Yahoo was launched and various companies come up with different technologies for their digital marketing.

In the yr 1996 when World Wide Web came into existence on the very first yr Yahoo received about 1 million hits. Looking at these companies stated to optimise their websites as they see a lot of change in the digital market space and to increase their search engine rankings. Many other search engines and tools were also launched in the same yr like the HotBot, LookSmart and Alexa.

It was the yr 1998 when Google was launched. To compete in the digital market Microsoft launched the MSN search engine and Yahoo come up with Yahoo web search. After the launch of all these two yr down the line all the small search engines were wiped out or left behind and all the control was taken over by these big companies. It was the yr 2006 when digital marketing saw it's largest rise as the search engine traffic was reported to have grown to about 6.4 billion in a single month. Seeing this to compete with Google and Yahoo Microsoft launched Live Search.

In 2007, Tumblr was launched. Also web streaming service Hulu was also found in this year. Mobile giant Apple launched its I Phone in the same year. Spotify launched i the yr 2008 and Groupon also went live in the same yr. Google also launched real-time search engine in the yr 2009. With this Google also come up with products like Google Ad Words which helped the companies to show their 3 line ads on the top of the search engine and to get cost-per-click advertisement Ad Sense was introduced. To target its customers Google come up with this technique to show ads to the customers as per their interest and it became a helpful tool in digital business. Soon Web 2.0 was introduced which allow the people to interact with other users as well as other businesses, people were becoming active users and started to contribute in the digital

platform. Internet was also known as 'super information highway' by this information volume also increased and use of digital marketing also increased and internet advertising also increased.



Fig.1 Web 2.0

Then comes the social networking sites. MySpace was the first social networking site to arrive in the digital marketing world, which was then followed by Facebook. After the launch of all these sites companies realised that the beginning of a new era of business has started, as companies found out new ways to promote their product and brand. With the help of new resources, they try to utilise the most form the social networking platforms.

2012 was year of social media, around this yr companies have increased their social media budget up to 65% and Google has also launched its Google knowledge Graph. As MySpace and Facebook were the most popular social media sites companies thought that it would help them in expanding their business all over the net and promote their products and brand on various channels. The introduction of the cookie was also a plus point for digital marketing industries. The first cookie was designed to record user habits which mean to track the browsing habits and patterns of users how frequently they use internet so that the companies can promote their products to the users as per user preference. Since then the use of cookies has been altered by the time as of now cookies are used to collect the real user data.

As we see in the current scenario, digital marketing has shown more growth opportunities which can help the business to grow. As we see now a day's more than 180 million people have smartphones and have access to internet are all active on social media platform therefore it's a huge tasks for the digital marketers to understand the behavior of their customers.

As we all know the main work of digital marketing is very helpful tool used by companies in order to promote their products and brands with the help of various online channels to reach to their targeted and potential customers.

As we all know how the buying behavior of the consumers have changed from the past decades as people have started to move to online and digital markets. This shift of customers from traditional to digital has made the companies to shift their businesses to a digital platform and adapt to the changing scenario.

The businesses need to understand and know how digital marketing works so that they can form their marketing strategies and use different digital tools for their marketing campaigns to capture their targeted audiences.

What is digital marketing?

So when we talk about digital marketing, the first thing to know is what digital marketing is?

Digital marketing is nothing but the buying and selling of product and services and promoting brands using different digital channels. Digital marketing helps businesses to find their target audience and attract customers with the help of the internet and other digital platforms.

When we talk about digital marketing, there are various technologies used by the companies to get their marketing message to the target audiences. When we talk about the current scenario, every company needs to have their website as we all they need to invest on PPC and display ads, email marketing, use of mobile technology like smartphones, social media, and various other digital mediums to attract their target audiences.

In the current time, the internet plays a significant role as it affects the buying behaviour of the customers and it's essential for the businesses to have a digital platform which also helps them to boost their visibility as much as possible.

How does Digital Marketing work?

For the businesses to work the owners need to understand how the digital marketing works so that they make an appropriate marketing decision and helps in making their digital marketing campaigns for all these to work they should understand how it all works and help in reaching



their marketing goals.

Website Marketing

The website can be said as the cornerstone of digital marketing strategy. This is the face of the company where the targeted customers first land and find the useful information which they are seeking for, as this is the place where our potential customers will become the paying one. The main goal of digital marketing is to attract, engage and convert the potential leads into making purchases, and for this an attractive website is essential.

There is a great saying that “First Impression Is the Last Impression” so according to this companies also try to make their first impression the best one with the help of a website as it’s the only platform where the targeted audience will first encounter when looking for goods and services. Keeping this thing in mind the company should pay proper attention in the layout of the site and use of proper design, graphics and colors. According to the data about 8% of the people will stop engaging with the website they find unattractive.

Not only the appearance but your website should be easy to navigate and gives proper guidance for the next step that consumers need to take. And also the website should be fully optimised for mobile devices which help in improving the site experience when using from a mobile device.

Search Engine Optimisation

Search engine optimisation another big term in digital marketing that helps that helps companies to reach and convert their consumers in this digital age. Investing in SEO and optimising your site’s content so that it appears to the search engines like Google and help’s to reach more customers and make more leads. The ultimate goal of the company is to rank higher on the Search Engine Result Page (SERP) so that your website is more visible to your targeted audience and drive more organic traffic.

SEO helps to bring more traffic but also helps in ensuring that the leads that your company is generating are of higher quality, it helps the company to target the right audience who are actively looking for your product and services. By wisely choosing correct keywords and giving proper content in your website you can reach a wide amount audience who are interested in your products and services.

Content Marketing

Another important tool of digital marketing is content marketing, it helps to create and promote content helps to engage people and targeted audience who are interacting with you. It can also be used to create brand awareness of the product and services, increasing leads, retaining loyal customers.

Whichever digital marketing tool you use content is always useful to support your tool as content

Table 1. Difference between Traditional marketing and digital marketing

Traditional Marketing	Digital Marketing
1. Traditional marketing is a one way communication.	1. Digital marketing is a two way communication.
2. Traditional marketing is an expensive form of marketing.	2. Digital marketing involves less cost than traditional marketing.
3. Print, TV Ads, Direct mail, and telephone are some examples of traditional marketing.	3. Online advertisement, social media, email marketing and text messaging are some examples of digital marketing.
4. Slow results.	4. Fast results.
5. With the help of traditional marketing it’s easy to reach local audience.	5. With the help of digital marketing its easy to reach targeted audience.
6. Traditional marketing is a personal approach.	6. In digital marketing physical presence is not required.
7. In traditional marketing a hard copy of products and services is provided.	7. Digital marketing use all the digital platforms like website videos to provide information.

is used to provide smallest and detailed piece of information to your customer like a “Thank You” mail to your potential customers or a E-Book that describes the challenges faced by the customers when searching online.

Social Media Marketing

As we now days with the use of social media platforms companies try to reach their target audiences it can be used as effective digital marketing tool used by companies. It includes popular channels like Face book, Instagram, LinkedIn and many more. Social media help companies to increase their brand awareness, help in generating more leads, and even improve customer engagement.

2.1 LITERATURE REVIEW

Digital Marketing industry in India has spread to almost all the business sectors. Some of the important applications of E-Marketing are shopping and order tracking, online banking, payment systems and content management. How digital marketing has changed the total retail and retail E-commerce sales in India (2013-2018), Indians having active internet connections and where digital marketing has the greatest commercial impact, (M. Suginraj) has come up with all these points in his research (Growth of online marketing in India). Further to know more about digital marketing (Hima Vamanan Nair) come up with the research (Digital marketing: a phenomenon that rules the modern world) in which he talked about the meaning of digital marketing its scope for the companies significance and its functioning. Digital marketing not only helps the people in their businesses and corporate sectors but also help in the education sector as well. Digital Marketing has expanded the boundaries of education. In this era of digitalisation where every industry is focussing on becoming digital, educational institutions from all over the world are no longer finding it difficult to market themselves to their audience or suffer from a lack of brand awareness. Due to the big spread of information, educational ins-titutions have the chance to show the opportunities that students could get from the service they provide, not only in the country but in a world-wide market (PATRUTIU BALTES, 2015).To illustrate the

impact of digital marketing in Big Choice Group, the researcher (Isidro fierro) used a case study (Digital marketing: a new tool for international education) in which she compares the digital innova-tions within the structure of the company. Digital marketing has not only affected the sectors but the people and their buying behavior as well. In the research (Digital Marketing and Its Impact on Buying Behavior of Youth) by (Dr. S. Sivasankaran) has talked about the same how digital marketing has affected Indian markets and the youth. To understand more about digital marketing and to know the difference between traditional marketing and digital marketing and how it has impacted on the sales of a firm (Afrina Yasmin, Sadia Tasneem, Kaniz Fatema) have done the research (Effectiveness of Digital Marketing in the Challenging Age: An Empirical Study) using different statistical tools to draw the conclusion for the same moving on from sales and difference between different marketing another important point is to built a good customer relation, (Marko Merisavo) in his research(The Effects of Digital Marketing on Customer Relationships) talked about the same. In order to sell more products and services the companies should know the purchase behavior of the people which factors affect them and which attracts them (Mrs. KR Mahalaxmi, P.Ranjith) in their research (A Study on Impact of Digital Marketing in Customer Purchase Decision in Trichy) paper talked about the same using different statistical tools and prove the hypothesis by using chi-square test.

With the use of smart phones and active internet connection people are more likely to spend more time with their phone and here comes the role of social media according to (Lindsey Julian) in his research (Using Social Media to Increase Consumer Loyalty to a Brand) companies try to make best use of this opportunity, moreover to see how social media changed the way brands act toward customers and how customers gained power in their relationships with brands (Charles Rupin) in his research (Social media as a new engaging channel in brands’ relationship marketing). Use of digital marketing is an important tool for companies to know more about digital marketing and tools involved in it like SEM (Search Engine Marketing) and SEO (Search



Engine Optimisation) use of website etc. (Achmad Nizar Hidayanto, Moch. Sidhki Adha, Meganingrum Arista Jiwanggi, and Tisha Melia) in their study (Utilisation of Google Tools and Social Network Websites to Improve Performance of Search Engine Marketing (SEM)) talked about the same in their research. To know more about SEO (Search Engine Optimisation), its algorithms and how it helps companies to grow their business (Patil Swati P, Pawar BV and Patil Ajay S) in their study (Search Engine Optimisation: A Study) talks about the same. Moreover to get more insights about SEO and SEM and how they work and help companies in making strategy for their business (Achmad Nizar Hidayanto, Moch. Sidhki Adha, Meganingrum Arista Jiwanggi and Tisha Melia) in their research (A study of impact of search engine optimisation to internet marketing strategy) explained the ways how companies can use internet and different web tools to drive more traffic to their sites. SEO techniques are discussed that enterprises, web developers and bloggers can use to increase their site's visibility in SERP's (Raza ul Mustafa¹, M. Saqib Nawaz¹, M. IkramUllah Lali) in their research (SEARCH ENGINE OPTIMISATION TECHNIQUES TO GET HIGH SCORE IN SERP'S USING RECOMMENDED GUIDELINES) talked about the use of SEO and use of proper keywords which can then help the active customers to get what they are looking for another important point that comes here is how SEO helps in the ranking of the pages testing different theories in their research (Karthikeyan, K & Sangeetha, M) talked about and discussed that search engine marketing can contribute remarkably to a web site's search engine visibility, which in turn can bring great value to a web site. (Page Rank based Design and Implementation of Search Engine Optimisation). To know more about SEM and its (Chris Barry and Debbie Charleton) done their research on SEM (In Search of Search Engine Marketing Strategy Amongst SME's in Ireland) and talked about SEM strategies SEO strategies and challenges in SEM. To get a great and healthy traffic it is necessary for your website to be on top with a higher ranking (Khalil ur Rehman and Muhammad Naeem Ahmed Khan) talked about methods that can help to increase the ranking of their website in their research (The Foremost Guidelines for Achieving Higher

Ranking in Search Results through Search Engine Optimisation).

3.1 RESEARCH METHODOLOGY

Methodology is an essential part of research as it consists of different steps and concepts which need to be considered before starting the research. The main structure of research is research design which is essential to give right direction and angle to the research, it's like a work plan or blueprint which help the research to move in a right path. It is used to answer the initial questions of the problem and also helps in answering the logical questions. It also helps in identifying whether to go for a qualitative research or quantitative and also helps in determining the sample size and whether it will be descriptive or explanatory. Overall it's all about choosing the best way to do the research. In my research I have done data collection and then analysed the data collected. Analysis of the collected data is important to get the actual result of the research and to clarify the objectives and to conclude the research.

3.2 PURPOSE OF THE STUDY

To know the use of digital marketing by different organisations and tools of digital marketing which can help in the growth of the organisation. To know if SEM is a great tool to boot the performance of the company, to know the use of website and is it a great way to capture large amount of people and to know the use of keywords and how they help target a large market. Further to know how companies are using digital marketing in the covid-19 pandemic.

I have used excel for the analysis part and the following analysis have been done-

- Correlation
- Regression
- Cross tabulation

3.3 ANALYSIS

1) *Correlation*

Correlation can be described as a tool that helps to indicate the degree of relationship between two variables and also helps in making predictions

about future behavior.

Correlation has following values-

- a) 1 means a perfect positive correlation
- b) 0 means no correlation
- c) -1 means perfect negative correlation

2) Regression

Hypothesis is defined as an assumption about something. Hypothesis testing is done to check the plausibility of the given data from a set of population and to check whether the stated hypothesis is acceptable or not. In the process of testing hypothesis we try to gather as much data as possible to prove our hypothesis.

- Null Hypothesis: this is generally denoted by H0.
- Alternative Hypothesis: this is generally denoted by Ha.

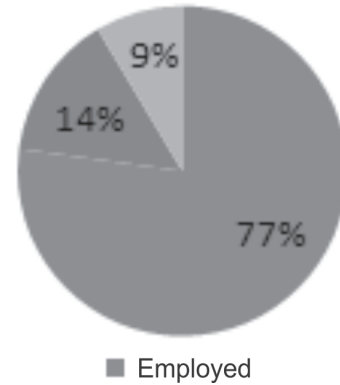
P-value is used to test a hypothesis test and help to accept or reject the null hypothesis.

- A smaller p (<0.05), then we reject the Null Hypothesis. This indicates that null Hypothesis is invalid.
- A larger p (>0.05), then we reject the Alternate Hypothesis. This indicates that Null Hypothesis is valid.

R-square is a statistical tool which helps to measure how close the data is to the fitted regression line. It can also be termed as coefficient of determination, or the coefficient of multiple determinations for multiple regressions.

R-square always lies between 0 and 100%

The problem identified in this research was to know since when the companies are using digital marketing and is SEM a great tool for companies to boost their business, moreover use of websites and keywords are also taken in consideration. In order to understand the use of digital marketing and its tools, questionnaire was prepared in order to know more insights from the companies containing questions about the use of digital marketing and SEM. The demographics were also taken into consideration as controlled variable. The results of the 105 participants are as follows:



II. Pie diagram.1 Demographic

Digital marketing has changed the way of marketing for the companies, switching from traditional to digital is a big change by the companies. Still many companies still prefer to choose traditional marketing then for digital maybe because they feel it is more convenient and easy to use. As we see from the above pie chart maximum number of respondents are employed (77%) working in a corporate firm using digital marketing for their day to day marketing activities and to expand their business, then comes self employed (14%) who use digital marketing to expand their business and to generate more revenue. Use of different tools and use of SEM (Search Engine Marketing) help the companies to boost their sales using different SEM companies try to target more potential customers. Using websites can help to target more audience and providing them the information they are looking for, with the proper use of keywords can help to increase the visibility if the website and reach wider audience.

Research Objective-1

- Use of Digital marketing helps to lower down the overall cost of marketing and helps in generating revenues.
- 1. Correlation between use of digital marketing when launching a new product through digital marketing platform.

Table 2. Correlation Between digital marketing and launch of new products

<i>ducts with the help of digital marketing helps to target your company is using digi</i>		
Launching new products w	1	-0.156396841
Since how long your comp:	-0.156396841	1

As we can see from the above table, there is a



weak negative correlation between the two statements. Which indicate that though the companies are using digital marketing for the betterment of their companies marketing activities and for growth but still they don't prefer to launch their products via online mode, companies still believe that to lunch the new products they should go for some traditional methods like TV, newspapers etc. so that people get aware of the product or service and the go on the digital platforms to look for them.

2. Research Hypothesis 1 – To test the use of digital marketing helps in lower down the overall cost of marketing activities or not?

H0- digital marketing doesn't helps to lower down the overall cost of marketing of the companies.

Ha- digital marketing helps to lower down the overall cost of marketing of the companies.

Table 3 Research Hypothesis 1

P-value	0.038025918
R Square	0.041118411

As we can see form the above ($0.03 < 0.05$) which means that Alternative Hypothesis (Ha) is accepted and Null Hypothesis is rejected (H0) this indicates that digital marketing helps the companies in reducing their overall marketing cost.

- Moreover R Square value is 4% which is still not more but can be taken into consideration as there are many other factors which affect the marketing activities of the company and should be taken into consideration. Since how long your company is using Digital Marketing?

Table 4. Time period of companies using digital marketing

Row Labels	Since how long your company is using Digital Marketing?
0-3 yr	48
3-5 yr	30
5-7 yr	8
7 yr and more	19
Grand Total	105

Form the above table we can see that there are total 105 numbers of respondents using digital marketing who have responded to the given

questionnaire. Digital marketing is seen as an important tool for companies to grow their business with everything becoming digital companies also try to take their marketing practices digitally. By understanding the importance of digital marketing we can see most of the companies have opted to digital marketing on the span of 0-3 and 3-5 years. Moreover others are using it since a quite long time.

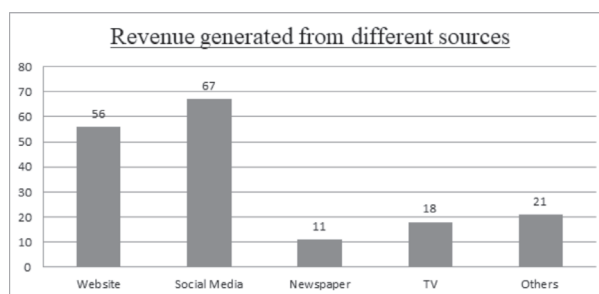


Fig 2. Revenue generated from different sources.

As we see form the above bar diagram we see that the max revenue that is generated from social media channels and website which means that in the changing scenario digital marketing helps the companies to generate more revenue via online channels and promote their goods and services

RESEARCH OBJECTIVE 2-

- Using SEM (Search Engine Marketing) to increase sales and bringing healthy traffic to the company.
2. Correlation between uses of SEM (Search Engine Marketing) and SEO (Search Engine Optimization) is a helpful tool for business and it helps to target the right audience at the right time and right place.

Table 5. Correlation use of SEM and getting right audience

<i>SEO are useful for the companies to gain mc right time and at the</i>		
SEM and SEO are use	1	0.603
SEM allows you to re:	0.603	1

As we can see from the above table there is a strong positive correlation between the two which means companies prefer to use SEM and SEO to target more potential audiences. SEM and SEO are the important tools when we talk about digital marketing so use of them can help companies to

promote their goods and services and target their potential customers who are looking for the same. And it also helps to increase the visibility of the websites so that they can be ranked higher in the SERP (Search Engine Result Page). Use of different type of SEM can helps to boost the digital marketing activities of the companies.

- SEM is an important tool to increase visibility of website?

Table 6. Use of SEM to increase visibility of website

Row Labels	SEM is an important tool to increase visibility of website?
Agree	63
Disagree	3
Neutral	23
Strongly Agree	15
Strongly Disagree	1
Grand Total	105

Form the above table we can see that there are total 105 numbers of respondents digital marketing who have responded to the given questionnaire using. It consists of both employed and self-employed people, out of which about 15 people Strongly Agrees that Search Engine Marketing (SEM) is an important tool to increase the visibility of their website, whereas 63 people agrees to it and about 23 people responded neutral. On the other hand only 3 people disagree towards this and only 1 respondent feels that SEM is not a helpful tool to increase the visibility of their website.

- Which type of Search Engine Marketing does your company uses?

Table 7. Types of Search Engine Marketing.

Row Labels	Which type of Search Engine Marketing does your company uses?
All of the above	50
Local (Maps)	7
None	12
Organic (Unpaid)	14
Organic (Unpaid), Local (Maps)	5
PPC (Pay-Per-Click)	11
PPC (Pay-Per-Click), Local (Maps)	2
PPC (Pay-Per-Click), Organic (Unpaid)	4
Grand Total	105

Form the above table we can see that there are total 105 numbers of respondents using digital marketing who have responded to the given questionnaire. When using Search Engine Marketing there are various type of SEM which companies uses in order to increase their visibility and attract their potential customers. As we see 50 respondents said that they involve all the 3 type of SEM in their marketing strategy, they are as following PPC (Pay-Per-Click), Organic (Unpaid), and Local (Maps), whereas 14 respondents go for Organic(Unpaid). Moreover there are some other ways also which companies and business use to improve their marketing, as we can see 12 respondents have selected None which means they must be using some other techniques or tools for their marketing.

RESEARCH OBJECTIVE-3

- Using website is an important tool to gain more audience and to promote goods and services.
3. Correlation between use of website to expand business and timely update in website help to gain more audience.

Table 8. Correlation between website and update in website

<i>website is an important tool for date your content</i>		
website is an important tool for date your content	1	0.190
How often do you update your website	0.190	1

As we can see form the above table we see there is a weak positive correlation between the two. As website is an important tool for expanding businesses as it is the first thing which people look and if the website is attractive enough they'll spend more time in the website and explore different features, and it may help in converting them into a potential customers of the company. Timely update and changing strategies with the changing market is also an important factor. Use of proper keywords also helps to increase the visibility of the website.

1. Research hypothesis 2– To test whether keyword is a helpful tool for websites in increasing their visibility or not?

H0- keywords are not a helpful tool for websites in order to increase their visibility.

Ha- keywords are a helpful tool for websites in

order to increase their visibility

Table 9. Research Hypothesis 2

P-value	0.003219894
R Square	0.081179206

As we can see from the above table p-value is (0.003 < 0.05) therefore Alternative Hypothesis (Ha) is accepted and Null Hypothesis (H0) is rejected, which means keywords are a helpful tool when it comes to increase the visibility of the websites.

Moreover R Square value is 8% which is not more but can be taken into consideration as there are other factors also which effect in the visibility of the website and add into companies digital marketing activities.

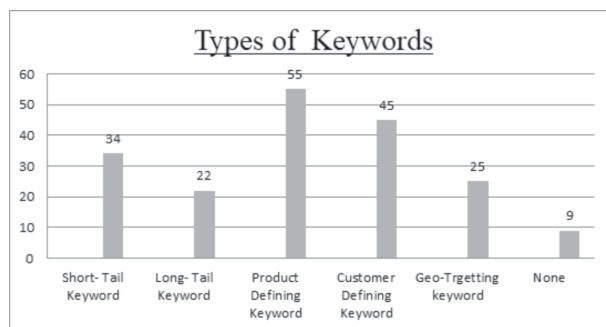


Fig 3. Types of keywords

As we can from above column diagram we see that companies usually focuses on product defining Keywords and Customer Defining keywords to get the targeted audience and to know to know their potential customers. Then comes the short-tail keywords and Geo-targeting keywords, short-tail keywords are the small search phrases which consists of only one word whereas geo- targeting focuses on the geographical location it helps the searches to reach to a particular outlet or place which they have searched for.

- Website is an important tool for business?

Table 10. Website is an important tool for business

Row Labels	Website is an important tool for business?
Maybe	12
No	3
Yes	90
Grand Total	105

Form the above table we can see that there are total 105 numbers of respondents using digital marketing who have responded to the given questionnaire. About 90 respondents agrees to the fact that website is an important tool for a business and said yes on the other hand only 3 respondent said no for the use of website for their business, moreover 12 respondents said maybe for the use of website.

- How often do you update content on your website?

Table 11. How often do you update content on your website

Row Labels	How often do you update content on your website?
Daily	22
Monthly	25
Quarterly	6
weekly	50
Yearly	2
Grand Total	105

Form the above table we can see that there are total 105 numbers of respondents using digital marketing who have responded to the given questionnaire. About 50 people responded that they update their website weekly as compared to 25 respondents who update it monthly and 22 respondents who update daily. On the other had people updating their websites quarterly are 6 and yearly are 2. Different companies have different strategies which they use for their business therefore updating website timely can also be considered as a strategy used by companies.

3. Research Hypothesis 3- To test whether Digital marketing helps to lower down the overall cost of marketing for the companies and helps in generating revenues for the same during covid-19 pandemic or not.

H0- Digital marketing does not helps to lower down the cost and don't help in generating revenues during covid-19 pandemic.

Ha- Digital marketing helps to lower down the cost and help in generating revenues during covid-19 pandemic.

Table 12. Research Hypothesis 3

P-value	0.007441953
R Square	0.067495067

As we can see from the above data we see that the p-value is less than 0.05(0.007<0.05) which means that we'll reject the Null Hypothesis (H0) and accept the Alternate Hypothesis (Ha).

This means there is a relation between the two and digital marketing helps lower down the overall cost of marketing which then helps the companies to properly allocate the amount for different activities and it also helps in generating revenues for the companies during this world crisis and help the companies to do their marketing activities by staying safe and generating revenues.

Moreover R Square value is 6% is not more but can be taken into consideration as there are many other factors which affect the marketing activities of the companies and companies allocate the revenues by considering all factors.

- Companies have changed their way of marketing techniques during Covid-19 pandemic?

Table 13. Use of Digital Marketing during Covid-19

Row Labels	Companies have changed their way of marketing techniques during Covid-19 pandemic?
Employed	81
Others	9
Self Employed	15
Grand Total	105

From the above table we can see that there are total 105 numbers of respondents using digital marketing who have responded to the given questionnaire. As we can see in the changing scenario whole world is facing problems due to Covid-19 therefore to keep their business to run smoothly all the companies and businesses have changed their way of marketing techniques in order to maintain that stability and can generate revenues in this situation as we can see from above 81 employed respondents agree to the fact that their companies have changed their way of marketing in this situation similarly 15 self-employed respondents also agreed to this fact and 9 other respondents working as an intern also agrees with this fact.

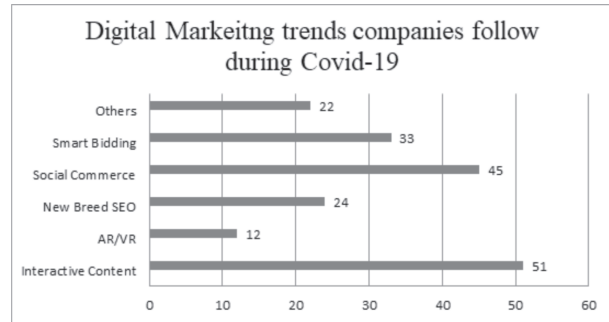


Fig 4 Digital Marketing trends followed by companies during Covid-19

The above bar diagram shows the different Digital Marketing trends which are being followed by the companies during Covid-19 pandemic. As we can see from above companies mainly focus on Social commerce and Interactive content this means giving more information to the people via website and all the social media channels. Then comes the smart bidding and new breed SEO this means that use of proper keywords in attracting more audiences and increasing the website ranking in the search engine result page.

4. FINDINGS

Use of Digital Marketing - it was found out that many companies have changed their marketing techniques and have shifted from traditional to digital whereas there are still many companies or firms who are still using the old methods of marketing and find it more reliable and productive than the digital one.

Use of SEM (Search Engine Marketing) - it was found that SEM is a great tool to be used by companies in order to boost their marketing, it also helps and supports other marketing activities of the companies and helps to reach the right customer at the right time and at right place.

Use of Website - it was found that website is an important tool when it comes to promotion of goods and services as it is the face of the company and its proper and timely update in the website is necessary to hold customers for a longer duration in the website and guide them in becoming a potential customer.

Use of Keywords - it was found that the use of keywords is important to support the marketing activities and help in creating the visibility of the website of the companies. Selection of proper



keywords and bidding on the right keywords which match the relevance of the content in the website helps the website to get a higher ranking in the search engine result page (SERP)

Use of Digital Marketing during covid-19 - it was found out that during this time of crisis digital marketing is helping companies to generate more revenues and to run their business with the help of digital marketing. We also found out the current trends which the companies are following during this Covid-19 pandemic.

5. CONCLUSION

From the above research it was observed that SEM (Search Engine Marketing) is an important tool to be used in digital marketing which helps the companies to target the right audiences, moreover use of website can be said as a beneficial tool for the companies to expand their product and services by reaching wide number of audiences, and use of correct keywords can help to increase the visibility of the website and helps to get a higher ranking in the search engine ranking page (SERP).

Although use of SEM and other tools are necessary in digital marketing, companies are able to earn more revenues via digital medium (website, social media). But still there are firms who are not fully converted into digital they still prefer traditional marketing methods in order to launch their products and reach their audience.

The data from the above research clearly suggest that use of SEM is beneficial for the companies as it supports all the other marketing activities as well and give a clear picture to what steps to be taken next, it also give proper insights of the different marketing activities and helps in allocating budgets to different activities. Similarly it goes for the use of websites and how they have helped companies to increase their brand image

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and how important it is to timely update the content on the website to attain the customers. Moreover use of correct keywords is also an important tool that can help companies to outlook their competitors and help in driving more traffic to the websites.

As from the above data we say that 0.60 is a strong positive correlation between the use of SEM to target more audience at the right time and right place. Therefore use of SEM is beneficial for companies to expand their businesses in the right direction and giving the customer the exact thing which he is looking for.

Moreover we have also discovered that digital marketing is a helpful tool for the companies during the Covid-19 pandemic. Using digital marketing to sell products and services, for improving brand image, and helping companies to generate revenues through digital channels. Further we found out different digital marketing trends which companies follow during this pandemic.

6. LIMITATIONS

Due to Covid-19 pandemic, the collection of primary data was restricted to some companies only as there was no personal meeting because visiting companies was not possible. Due to covid-19, only some data has been collected to 105 respondents which are then analysed for further study. Due to a few numbers of respondents, it was challenging to find out the exact situation of the markets and how digital marketing has impacted the markets.

More over internet connectivity was a problem in gathering more information regarding the research, analysis of data has been done using excel and using excel tools as the use of other analysis tools was not possible.

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APPENDIX

1. Name
 - Digital Marketing
2. Occupation
 - 1) 0%-10% 2) 10%-20% 3) 20%-30%
 - 4) 30%-40% 5) 40% and above
3. Launching new products with the help of digital marketing helps to targets more audiences than traditional marketing?
 - Direct Marketing
 - 1) 0%-10% 2) 10%-20% 3) 20%-30%
 - 4) 30%-40% 5) 40% and above
 - Others
 - 1) 0%-10% 2) 10%-20% 3) 20%-30%
 - 4) 30%-40% 5) 40% and above
4. Digital marketing helps to lower down the overall cost of marketing for the companies?
 - Strongly Agree
 - Agree
 - Neutral
 - Disagree
 - Strongly disagree
5. How much budget does your company allocates for its marketing activities?
 - Strongly agree
 - Agree
 - Neutral
 - Disagree
 - Strongly disagree
6. SEM and SEO are useful for the companies to gain more leads and increase its sales?
 - Traditional Marketing
 - 1) 0%-10% 2) 10%-20% 3) 20%-30%
 - 4) 30%-40% 5) 40% and above
 - Strongly agree
 - Agree
 - Neutral
 - Disagree
 - Strongly disagree
7. SEM allows you to reach the right customers at the right time and at the place who are actively interested in your business?
 - Strongly agree
 - Agree
 - Neutral
 - Disagree



- Strongly disagree
8. Which type of search engine marketing does your company uses?
 - PPC (Pay-Per-Click)
 - Organic (Unpaid)
 - Local (Maps)
 - all of the above
 - None
9. SEM allows you to decide proper budget for your advertisement?
 - Strongly agree
 - Agree
 - Neutral
 - Disagree
 - Strongly disagree
10. To get a higher ranking of your ads on search engine your company focuses on?
 - Max bid
 - Quality Score
 - Both
 - None
11. Website is an important tool for your business?
 - Strongly agree
 - Agree
 - Neutral
 - Disagree
 - Strongly disagree
12. How often do you update your content on your website?
 - Daily
 - Weekly
 - Monthly
 - Quarterly
 - Yearly
13. How much time do people invest in your website?
 - 0-5min
 - 5min-10min
 - 10min – 15 min
 - 15min and more
14. SEM is a helpful tool to increase the visibility of your website?
 - Strongly agree
 - Agree
 - Neutral
 - Disagree
 - Strongly disagree
15. Use of correct keywords can increase the visibility of your website?
 - Strongly agree
 - Agree
 - Neutral
 - Disagree
 - Strongly disagree
16. Which type of keywords does your company uses?
 - Short-tail keyword
 - Long-tail keyword
 - Product defining keyword
 - Customer defining keyword
 - Geo-targeting keywords
 - None
17. Do you take ideas from your competitor in order to boost your SEM?
 - Always
 - Sometimes
 - Rarely
18. From which platforms are you able to earn more revenue?
 - Website
 - Social media
 - Newspaper
 - TV
 - Others
19. Digital marketing helps to generate revenue for companies during Covid-19?
 - Strongly agree
 - Agree
 - Neutral
 - Disagree
 - Strongly disagree
20. Which of the digital marketing trends do you follow during the Covid-19 pandemic?
 - Interactive content
 - AR/VR
 - New breed SEO
 - Social Commerce
 - Smart bidding in Google Ads
 - others

The Effect of Psychology on Organizational Effectiveness

(An Empirical Study on Indian Automobile Industry)

Ms. Swati Tyagi*

ABSTRACT

Positive Psychology has become progressively more prevalent in the workplace nowadays. The study aims towards understanding the effects of the level of psychological well-being (mental health) on organizational effectiveness and the relationship between the positive psychology of the workers and organizational effectiveness of Indian companies operating in Delhi NCR. The effect of different demographic factors like age, gender, education pattern, personality, culture etc. will be considered to provide better understanding. Data for current study is gathered from both primary and secondary sources. Primary sources used for current study are questionnaire and interviews of industry experts and secondary sources are business journals, newspapers, magazines, periodicals, etc. Correlation test has been used for empirical analysis and interpretation of data. The study shows that the null hypothesis is accepted which says that there is a positive relationship between the positive psychology of the workers and organizational effectiveness.

Key Words: Psychology, Organizational Effectiveness, Employee Effectiveness, Indian Automobile Industry.

1. INTRODUCTION

Nowadays, in the working environment, positive mental strength has a significant role to play. Positive psychology clearly offers scope for enhancing satisfaction, motivation, and productivity in the workplace, which evidently means an overall development of organizational effectiveness. Positive psychologists seek "to find and nurture genius and talent", and "to make normal life more fulfilling", not merely to treat mental illness. The field is intended to complement, not to replace traditional psychology.

Organizational effectiveness is the notion of exactly how effective an organization is in achieving the outcomes any organization wants from HR assets and associated structures and processes. Organizational effectiveness is not an absolute concept and that is why it is more complex and challenging to measure also. Therefore, it is important for organizations to determine alternative approaches which can be used to monitor effectiveness. This may include the number of people served, types and sizes of targeted segments served, and the demand within the segment for the services any organization

offers. In organizations, the concept of Organizational Effectiveness is often associated closely with organization development, especially when used as department or a part of the Human resource function within an organization.

Positive Psychology aims to catalyze a change in psychology from a preoccupation only with repairing the worst thing in life to also building the best qualities in life. Positive psychologists seek "to find and nurture genius and talent", and "to make normal life more fulfilling", not simply to treat mental illness. In any organization, the most important resource remains to be people and therefore has many fold impact on organization health and effectiveness. At any point of time the human capital of any organization has always guided the organizations to grow, nourish and be profitable. In the context, it is very important for any employee or job seeker to join an organization where they can contribute and always get contributed in terms of their growth and development. The reality is, they are the ones who are primarily responsible for organizational effectiveness and their positive state of mind can lead to such an attribute.

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Understanding Psychology

Positive psychology does not avoid negative feelings as medical or psychological abnormality. Instead, it serves to remind society of the bigger picture, encouraging society to take steps to achieve positive feelings of happiness, and growth (Gable & Haidt, 2005). The driving force behind PPW Positive psychology at workplace is the notion that happier employees are more productive, more innovative, and create a more attractive (Thompson, 2012, web). Positive psychology helps one to self introspect and reflect, providing insight and growth in an intricate world. It teaches coping and resiliency skills, current and future mindedness, optimism in the face of negativity, faith, work ethics, the importance of trust, and finding meaningfulness in a life that seems meaningless.

Indicators of Organizational Effectiveness

There are three basic types of indicators-- those based on outcomes, on processes, and on structures.

Outcomes

Outcomes focus on materials or objects on which the organization has performed some operation. These are the most common effectiveness measurements, but can be the most difficult to define and measure and are not immune to ambiguity and measurement error.

Processes

Process measures assess effort rather than effect (Scott p. 355). Some measure work quantity or quality. Though they are in some respects a more pure measurement of organizational performance, they are an assessment of conformity of a given objective that can be decoupled from output performance (and ultimately survival itself). Substituting process criteria for outcome criteria can compromise service in some situations though.

Structures

"Structural indicators assess the capacity of the organization for effective performance" (Scott p. 357). These often include organizational features (equipment age or type) or participant

characteristics (degree attained, licensing, etc.). Structural indicators form the basis for accreditation reviews and licensing systems, and those criteria can displace the goals of the organization sometimes.

Innovativeness

Adapting innovation for any organization shall lead to various external environmental changes. According to proponents of the contingency theory, an organization's external environment is uncontrollable. Innovativeness is necessary for the successful development of an organization for which they must adapt to the changing environmental conditions by altering its organizational characteristics such as its process or its structure. Adopting innovation in an organization enhances the overall performance of an organization.

Commitment

It is the bond which employees experience with their organization. Employees who are committed towards their work and organization generally feel a connection with their organization and add value to their productivity and performance. Committed employees are more proactive in offering their support. There are three main types of commitment:

- (1) Affective Commitment
- (2) Continuance Commitment
- (3) Normative Commitment

Affective commitment- relates to how much an employee wish to stay at their present organization. Affective commitment also means that the employee wants to stay in their present organization. Employees feel that they fit into the organization and are satisfied with their work. They also feel valued and act as high assets for the organization.

Continuance Commitment- relates to how much an employee feels the need to stay at their present organization. Some cases wherein employees feel the need to stay in their current organization because their salary benefits won't improve if they move to another organization. Continuance commitment may become dissatisfied with their work and yet are unwilling to leave the organization.

Normative Commitment- It relates to how much an employee feels they should stay at their organization. Such employees generally feel that they should stay at their organization. According to these employees, leaving their organization would have disastrous consequences and there is also a sense of guilt about the possibility of leaving. Employees are feeling that in leaving the organization, they would create a void in knowledge/skills, which increase the pressure on their colleagues. Such feeling negatively influences the performance of employees working in the organization.

2. REVIEW OF LITERATURE

Keith P. Gatto (2015), "Innovation, Leadership, and Positive Psychology" Report of University of California, Berkeley. This paper is a short introduction to the theoretical framework and development of an executive education program focused on incorporating positive psychology into leadership initiatives to create a culture of innovation. Positive emotions can be considered fertilization for the seeds of innovation. They create the emotional ground for the seeds of innovation to flourish. Positive emotions motivate employees to take part in activities of the organization, create environments that have personal meaning or are valued by individuals, and build personal resources such as cognition.

Kim Cameron, Carlos Mora, Trevor Leutscher, Margaret Calarco (2011), "Effects of Positive Practices on Organizational Effectiveness" *Journal of Applied Behavioral Science* September 2011 Vol. 47 No. 3 266-308. Researchers Emphasis on positivity in organizations in increasing, but the importance and credibility of a positive approach to change-exemplified by positive organizational scholarship-remains controversial. More empirical evidence is needed showing that positive practices in organizations produce desirable changes in organizational effectiveness. Two studies-one in financial services and one in the health care industry-are reported, which investigate the link between positive practices and indicators of organizational effectiveness. A positive practices instrument is developed, and evidence is found that positive practices do predict organizational performance. More important, improvement in

positive practices predicts improvements in specific indicators of effectiveness over time. The results are explained by the inherent amplifying, buffering, and heliotrope effects of positivity in human systems.

Kataria, Aakanksha; Garg, Pooja; Rastogi, Renu (2013), "Psychological Climate and Organizational Effectiveness: Role of Work Engagement", *IUP Journal of Organizational Behavior* Vol. 12, No. 3. This study contributes to our understanding of the mediating mechanism of work engagement through which psychological climate of an organization is linked with organizational effectiveness. We developed and tested a mediation model associating between the latent constructs of organizational effectiveness. Our model evaluates the premise that employees' favourable perceptions of the organizational settings are directed towards increased organizational effectiveness through an individual-level construct, work engagement. Overall, data from 300 employees in different service organizations in India support this model. Data analysis, performed using Structural Equation Modeling (SEM) approach, revealed that work engagement fully mediates the relationship between psychological climate and organizational effectiveness, suggesting that employees' engagement with their work plays a significant role in shaping the effectiveness of their organization.

The objective of the study

The aim of the study is to understand

- To investigate the perspective of employees which shows the relationship between positive psychology of the employees and organizational effectiveness.

3. RESEARCH METHODOLOGY

Sources of Data

- **Primary Data:** Data for the current study is gathered from primary sources: questionnaire and interviews. To achieve the objective and to examine the relationship between the positive psychology of the workers and organizational effectiveness, employees from 5 different companies were selected of middle management level. A random sample of 5 companies of the National Capital Region was



selected and a survey was conducted targeting 20 employees from each organization. An exhaustive questionnaire was developed with the help of reviews of literature done in this field and a pilot study was done on 10 employees to know the suitability of the questions. Validity of the Questionnaire is verified by Cronbach alpha test, and for each variable it is greater than 0.5.

- Secondary Data: The research was carried out depending on secondary sources like business journals, newspapers, magazines, periodicals, etc.

Sample Size Determination:

The sample size is determined to estimate a proportion of employees who rate the talent management practices following recruitment and selection, training and development, work culture and rewards and retention.

Parameters are set before calculating sample size:

1. Margin of error less than 10%.
2. 95% confidence intervals
3. Conservative assumption of 50% or 0.5 for the value of \hat{p} being unknown a priori.

We already know that the margin of error is 1.96 times the standard error and that the standard

error is $\sqrt{\frac{\hat{p}(1-\hat{p})}{n}}$ in general the formula is:

$$ME = z \sqrt{\frac{\hat{p}(1-\hat{p})}{n}}$$

Where,

ME= the desired margin of error

z= the z-score, e.g. 1.645 for a 90% confidence interval, 1.96 for a 95% confidence interval, 2.58 for a 99% confidence interval.

\hat{p} = is our prior judgment of the correct value of p. which we selected as 50%.

n = the sample size (to be found)

Calculation:

We set ME equal to 0.1, z = 1.96 and $\hat{p} = 0.5$

$$0.1 = 1.96 \sqrt{\frac{0.5 \times 0.5}{n}}$$

$$= 96.15$$

We assume that the sample size of 100 is better to estimate the population instead of 96 with the Margin of error less than 10% or 0.1. The Margin of error is considered high because it is a pilot study to evaluate the finite population.

Total sample size of 200.

Hypothesis

Ho: There is a relationship between the positive psychology of the workers and organizational effectiveness.

Ha: There is no relationship between the positive psychology of the workers and organizational effectiveness.

Relationship between Positive Psychology and Organizational Effectiveness

The psychological climate of an organization is linked with organizational effectiveness. Employees' positive psychology with their work plays a significant role in shaping the effectiveness of their organization, with the initiation of positive psychology in almost every domain of human life including organizations supporting for the investment of employees' focused efforts and positive energies towards organizational objectives. There has been a tremendous encouragement to human creative capabilities and optimism. Positive Psychology is a considerable element to the sustenance of organizational performance and growth, and further, creates the need to develop conditions via positive organizational-climate for higher engagement level of employees.

Positive Psychology has three central concerns: positive experiences, positive individual traits, and positive institutions. Understanding positive emotions entails the study of contentment with the past, happiness in the present, and hope for the future. Positive psychology focuses on positive or optimal psychological states and behaviours. Many research supports that positive psychological outcome related to greater organizational effectiveness. Positive emotions and related procedures can lead to motivation, the accomplishment of work, and the ability to cope with stress and ambiguity.

Organizations today are recognizing that a healthy workplace is also a profitable workplace. Building

an inspiring corporate culture and investing in the health and development of employees is a priority for long-term business success. Today, through the efforts of psychologists and researchers that study positive psychology, there is a growing body of empirical research, which reveals that improving employee well-being at work translates into organizational effectiveness. Positive psychology is the scientific study of well-being and what makes individuals and communities flourish.

Positive emotions experienced at work can transform any company. While management often think that positive emotions are just momentary and momentary, research has demonstrated that positive emotions build psychological, physical and social resources, ultimately improving performance at work. Teams that have higher positivity ratios also experience better business results like higher productivity, better customer service and higher profits.

4. ANALYSIS OF DATA

The analysis of the collected data has been done based on the following steps, which helped the researcher in interpreting and analyzing the data appropriately and easily. The steps were as follows:

Step 1- The Statistical analysis has been done for the collection of suitable and essential data related to the education institute under study. The data has been collected for a specific and well defined purpose. The collected data was organized with the help of proper editing, classification and tabulation as per the requirement of the study of the topic.

Step 2- The structured data has been presented in the form of tables, graphs and diagrams to make the data more understandable. It helps to present the stunning pictures of the various parameters about the study and their analysis.

Step 3- The data has been properly analyzed on the basis of Scientific and Numerical Analytical Techniques. After the completion of all the analyses the interpretations are made about the study. Finally all the findings and suggestions on various aspects of the study have been put forwarded.

5. RESULTS AND FINDINGS

Table 1: Demographic Analysis for Gender

Gender	Percentage
Male	73
Female	27

Table 2: Demographic Analysis concerning Age

Age Group	Percentage
20-30	41
31-40	28
41-50	17
51 & above	14

Table 3: Demographic Analysis concerning Designation

Designation	Percentage
Lower level	51
Middle Level	31
Upper Level	18

Table 4: Demographic Analysis for Income Group

Income Group	Percentage
Less than Rs. 50, 000	25
Rs. 51,000 to Rs. 1,00,000	43
Above Rs. 1,00,000	32

Table 5: Demographic Analysis to Education Level

Education Level	Percentage
High School	18
Graduation	46
Post-Graduation and Above	36

The current research study has considered five demographic factors which consist of age, gender, designation and income level. The analysis shows that there were 73% male and 27% female in the sample. Their ages were divided into four groups. 41% of the people were falling in the age group of 20-30 years, 28% were falling in the age group of 31-40 years, 17 % were falling in the age group of 41-50 years and 14% were falling in the age group of 51 & above years. The sample consists of 51% of Lower Level Management, 31% of Middle Level Management and 18% are Upper-Level Management employee. Their income has divided into three groups. Less than Rs. 50,000 brackets comprises of 25% of the sample, Rs. 51,000 to Rs. 1,00,000 bracket comprises of 43%



of the sample and above Rs. 1,00,000 bracket comprise of 32% of the sample. Their education level has divided into three groups. High School brackets comprises of 18% of the sample, Graduate Employee comprises of 46% of the sample and Post-Graduation and above bracket comprise of 36% of the sample.

Table 5: Demonstrating the mean and standard deviation (S.D.) for the dimensions on Positive Psychology

Positive Psychology Dimensions	Mean	Standard Deviation
Positive Experiences	2.75	0.40
Positive Individual Traits	2.96	0.66
Positive Institutions	3.56	0.53
Positive Psychology	3.09	0.53

The level of Positive Psychology is found to be high. The level of positive institutions is found to be highest and positive individual traits and positive experiences are moderate. Of the following dimension of Positive Psychology the positive institutions are most important, followed by positive individual traits and positive experiences.

Table 6: Demonstrating the mean and standard deviation (S.D.) for the dimensions on Organizational Effectiveness

Organizational Effectiveness Dimensions	Mean	Standard Deviation
Organizational Outcome	3.85	0.61
Organizational Processes	3.46	0.98
Organizational Structure	3.46	0.90
Organizational Innovativeness	3.31	1.03
Organizational Commitment	3.49	0.81
Overall Organizational Effectiveness	3.51	0.87

Table 7: Demonstrating the Pearson Correlation between Positive Psychology and Organizational Effectiveness

S.No.	Organizational Effectiveness Dimensions	Positive Psychology Dimensions			
		Positive Experiences	Positive Individual Traits	Positive Institutions	Positive Psychology
1	Organizational Outcome	0.62	0.45	0.03	0.37
2	Organizational Processes	0.56	0.36	0.22	0.38
3	Organizational Structure	0.20	0.43	0.21	0.28
4	Organizational Innovativeness	0.16	0.64	0.14	0.31
5	Organizational Commitment	0.40	0.52	0.15	0.36
6	Overall Organizational Effectiveness	0.39	0.48	0.15	0.34

The organizational outcome was found to be moderately high dimension and will lead to high organizational effectiveness. Organizational commitment, organizational processes, organizational structure and overall organizational effectiveness, was found to be moderate. Organizational innovativeness was considered to be the most prevalent.

All the Organizational effectiveness dimensions are positively correlated with Positive Individual Traits. The highest with was with Organizational Innovativeness, and the least was with Organizational Processes. It was also found that all the Organizational effectiveness dimensions were positively co-related to Positive Experiences. The highest correlation was with Organizational Outcome and least was with Organizational Innovativeness. All the Organizational effectiveness dimensions were positively correlated to Positive Institutions except for Organizational Outcome. These relationships were significant. The highest correlation was with Organizational Processes, and the least was with Organizational Commitment.

6. RECOMMENDATIONS FOR FUTURE RESEARCH

It is necessary to remember that Positive Psychology at the workplace (PPW) is still an emerging area of study. For the future plethora of research some empirical research related to "PsyCap" that is- Positive Psychology Capital which is an individual's positive psychological state of development that is shown by (a) By having confidence (efficacy) to take on and put in the necessary effort to succeed at challenging tasks; (b) By making a positive attribution

(optimism) and succeeding in future; (c) By persevering toward goals and redirecting and channelizing the path towards the ultimate goal (vision) to succeed; (d) Lastly by the best work done by people even at adversities, sustaining and fighting back to succeed (resilience). Along with PsyCap Appreciative Inquiry must be practiced, both are relatively new ideas and have not widely accepted or practiced at workplace. Transformational leadership must also be the subject for future research.

Positive Psychology at workplace must not grow forward with a blinded eye towards the negative. Rather a comprehensive view of both the positive and the negative must exist so that a holistic perspective is reflected and one can get not only 'black' or 'white' picture but also a 'gray' picture for the overall employee and organizational functioning. PPW must wider its wings in order to give full consideration to negative as well as positive frame constructs. There is very little research that considers the potential benefits of such stereotypically negative constructs. Warren (2011) stated that negativity is a necessity and may even be required in order to obtain certain positive outcomes. Both organization as well as employees shall experience resilience only if there are certain negative circumstances. Hence, PsyCap, Appreciative Inquiry and Transformational leadership must be given attention and shall be explored by future researchers.

7. CONCLUSION

Positive Psychology at the workplace captures the active positive interventions that an employee and/or employer can implement to promote & proved and more contented working environment. Organizations and employees struggling in today's economic environment, fostering PPW may be that magical key which can influence to increase the organizational bottom line as well as

the employee. As explained throughout this study, the prevalence of research has evidenced that when organizations take a positive approach to their corporate culture and their employees, the organizational bottom line eventually profits. As such, corporations and their management teams would do well to consider the constructs and corporate applications outlined herein critically and to implement such positive training initiatives within their organizational structure. It was concluded that all the Human Resource Management practices were positively correlated with normative commitment. It was visible that the highest was with Employee Welfare, and the least was with Training and Development. It can also be concluded that all Human Resource practices were positively co-related to affective organizational commitment. The highest correlation was with employee recruitment and selection and least was with employee welfare. H.R Management practices were positively correlated to continuance organizational commitment except for recruitment and selection practices. These relationships were significant. The highest correlation was with Training and Development and the least was with employee welfare. Also, Overall Effectiveness of Human Resource Management Practice was found to be moderate. Employee welfare was considered to be the most prevalent. It is practically impractical to satisfy the complaints of every unsatisfied employee others will appreciate the company's willingness and attempts to make the workplace happier and healthier. Positive psychology with the forward-looking point of reference, suggests that the potential for a more positive, creative, and fulfilling future can materialize for people who are stressed to find their way through tough times, as well as for many others who are somewhat more safe and sound but find themselves coasting along without much joy or fulfilment in their day-to-day work lives.

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