

LISTED IN CABELL'S DIRECTORY, USA
& ULRICH'S PERIODICAL, USA

ISSN 0975-4601

Global Impact & Quality Factor : 0.676



SAARANSH

RKG JOURNAL OF MANAGEMENT

Vol :12

No :2

December 2020

Contents

- INVESTMENT IN SECTORAL INDICES – A PROPOSAL WITH HIGH RISK AND HIGH RETURN (A RESEARCH STUDY IN INDIAN STOCK MARKET)
Dr. J.K. Singh
- DETERMINANTS OF COMMERCIAL BANK PROFITABILITY OF NEPAL
Surya Prasad Poudel
- IMPACT OF RETAIL STORE SALES EMPLOYEE PERFORMANCE ON CUSTOMER SATISFACTION, PURCHASE AND REPURCHASE INTENTION
Dr. Pankaj Agarwal
- INDIA'S ECONOMIC GROWTH AND THE COVID 19 PANDEMIC
Dr. Rajeev Johari
- PARTICIPATION OF WOMEN IN DECISION MAKING AND PROPRIETORSHIP PRIMARILY IN MICROFINANCE INSTITUTIONS
Dr. Santosh Kumar Panigrahi
- A CREATIVE APPROACH TOWARDS THE FURNITURE BUSINESS OPPORTUNITIES IN INDIA
Prof. Sandeep Bhattacharjee, Prof. Bratini Shome
- WORK-LIFE BALANCE AND ITS IMPACT ON JOB SATISFACTION— A SYSTEMATIC REVIEW
Prof. Aanchal Dwivedi, Prof. Shilpa Gaidhani

An International Bi-annual Refereed Research Journal



RAJ KUMAR GOEL INSTITUTE OF TECHNOLOGY

Approved By AICTE, Ministry of HRD, New Delhi and Affiliated to :



DR. APJ ABDUL KALAM TECHNICAL UNIVERSITY, (UP) LUCKNOW

(formerly UP Technical University, Lucknow)



Founder
Late Shri Raj Kumar Goel Ji

Commandment

From The Founder

We are building our Institute as an ideal family, the RKGIT PARIWAR where members strive for the development, well being and promotion of each other.

अज्ञानेनावृतं ज्ञानं ।

श्रीमद् भगवत गीता अध्याय 5, श्लोक 15

CHIEF PATRON

Shri Dinesh Kumar Goel

Chairman, RKG Group of Institutions

PATRONS

Dr. Laxman Prasad

Advisor

RKG Group of Institutions

Dr. D.K. Chauhan

Executive Director

RKGIT, Ghaziabad

Dr. Vikesh Kumar

Director, Academics

RKGIT, Ghaziabad

EDITORS

Dr. Ashish Kumar Singh

Associate Professor-MBA

Ghaziabad

Mr. Akshat Goel

Vice-Chairman

RKG Group of Institutions

Dr. D.R. Somashekhar

Director

RKGIT, Ghaziabad

Dr. Vibhuti

Professor & Head, MBA

Ghaziabad

ADVISORY BOARD

Dr. José G. Vargas-Hernández,
Research Professor Department of
Administration
University administrative center of
economic sciences
University of Guadalajara.
Periférico Norte 799 Mexico

Dr. Ugoani John Nkeobuna Nnah
Professor, Rhema University,
Aba Owerri Road, Abia State, Nigeria,

Dr. Sheerali Arya
Programme Leader - Business NZDB5
and Faculty of Business Coordinator
Coordinator
Durham Street, Tauranga 3110, New
Zealand

Dr Worku Mekonnen
Associate Professor
Head, School of Commerce,
Addis Ababa University, Ethiopia

Dr Gagan Kukreja
Director (Professional Department)
Baharain Overseas Center of Institute of
Cost Accountants of India, Baharain

Dr Shyam B Katuwal
Tribhuvan University, Faculty of Management,
Biratnagar, Nepal

Dr. Dileep Kumar M.
Nilai Field Research Centre, MALAYSIA.

Prof. (Dr.) Raj Kumar
Director & Dean Institute of Management
Studies, BHU, Varanasi

Dr Bhagirath Singh
Vice Chancellor Maharaja Ganga Singh
University, Bikaner, Rajasthan

Dr Shiv Tripathi
Ex-Vice Chancellor
Mahatma Gandhi University, Meghalaya

Dr Ravinder Kumar
Professor,
Jamia Milia Islamia University New Delhi

Dr Nageshwar Rao
Vice Chancellor, IGNOU, New Delhi

Dr D P S Verma
Formerly, Professor of Commerce,
Delhi School of Economics, University of
Delhi, Delhi

Dr H K Singh
Professor of Finance,
Faculty of Commerce, BHU, Varanasi.

Dr Rajesh Singh
Professor –Department of Statistics
BHU, Varanasi.

Dr Anurag Singh
Asso. Professor – Institute of
Management Studies
BHU, Varanasi.

Dr. Amit Kumar Singh
Associate Professor, Department of
Commerce
Delhi School of Economics, DU

Dr Arvind Singh,
Director-Faculty of Management &
Commerce, LNCT University ,
Bhopal, India ,

Dr S P Singh
Ex Head and Dean, FMS
Gurukul Kangri Vishwavidyalaya,
Haridwar , U. K. India

EDITORIAL TEAM

Mr. Harsh Mohan Sharma

Dr. Manjusha Goel

Ms. Sanjana Agarwal

Ms. Nishi Pathak

Ms. Richa Shukla

Mr. Ashish Kumar Singh

Ms. Yatika Rastogi

Aims & Scope

SAARANSH is an international bi-annual refereed research journal published by RKGIT (MBA), Ghaziabad. The objective of the journal is to provide a forum for discussion of advancement in the area of management. The journal published research papers, articles, book reviews & case studies. The journal invites manuscripts on all aspects of management and business environment.

The information, contents, opinion and data appearing in the articles and advertisement in the journal are the sole responsibility of the concerned author (s) or the advertisers. The Editor, Editorial Board and publisher disclaim responsibility and liability for any statement or opinion made by the contributors.

All disputes will be subject of the jurisdiction of Ghaziabad only.

FROM THE DESK OF THE EDITOR

The present issue carries seven articles. The first article examines sectoral indices' movement compared to the broader market index and therefore cautions the investors for not painting all sectors with the same brush during any given period. It also offers an excellent opportunity to fund managers to allocate their funds in the sectors.

The second article aimed to show the profitability model of commercial banks of Nepal.

The third article finds out the relationship between the performance of sales employees of organised retailers in India and its impact on customer planned purchases, customer satisfaction with employees, and the retail store and repeat purchase intention.

The fourth paper reviews the covid 19 outbreak from a broader perspective for India's economic growth, reflecting on global response since the inception of the crisis to its present state. The government's offering of financial restructuring packages to firms requires supplementation by adapting business patterns to changing times.

The fifth article is based on exploring the participation of the female group in choice-making and proprietorship of assets on microfinance institutions (MFIs).

The sixth article has made efforts through exploratory research to understand the various aspects of the furniture market in India.

The Seventh article investigates the impact of work-life balance on employees' job satisfaction with its overall impact on organisational commitment.

We hope that the present issue will be useful for the readers in giving better understanding of modern dynamic India & volatile business world. Moreover, I am thankful to all the authors for contributing their research work & express my heartiest gratitude for their valuable support with your patronage's expectation in the future.

–Dr Vibhuti



EXPERT'S-COMMENTS **for** **“SAARANSH” RKG Journal of Management**

Prof. Jagdish Prakash, Ex Vice Chancellor, University of Allahabad

✍ *SAARANSH is a very standard journal in the area of management which includes empirical articles by national and international authors'*

Prof. R. C. Saraswat, Vice Chancellor, Dr. Ram Manohar Lohiya Avadh University, Faizabad

✍ *'I am pretty sure that the professionals and faculty of various colleges will contribute in the forthcoming issue of the journal.'*

Prof. Vinay Kumar Pathak, Vice Chancellor, Dr APJ Abdul Kalam University, Lucknow

✍ *"The efforts of the editorial the board are appreciable keeping in view the keen interest being taken in the journal both by academicians and executives throughout the country."*

Prof. R. L. Tamboli, Professor & Head, Deptt of ABST, ML Sukhadia University, Udaipur

✍ *'The journal will be getting commanding heights in India, and thereafter abroad, positively.'*

Dr. A. K. Bajpai, Professor, Mechanical Engineering Dept, M.M.M. Engineering College, Gorakhpur

✍ *The outcome of this Journal from your Institution helps in development better academic environment in your College. The Engineering & Management community; Business and Industry and Society all are going to be benefited by your efforts.'*

Prof. Prithul Chakraborti, Head, CMS, JIS College of Engineering, Kalyan, Nadia

✍ *'I appreciate the quality of the contents of the journal.'*

Prof. V. Vijay Durga Prasad, Professor and Head, MBA, PS College of Engineering & Technology, Vijayawada

✍ *'The significant point which I liked is the feedback form about the articles published in the issue.'*

Prof. (Dr). G. K. Upadhyay, Director, Sri Sri Institute of Technology & Management, Kasganj

✍ *'It proves to be a result of great hard work & creativity'*

Dr R. K. Singh, Faculty, MONIRBA, University of Allahabad, Allahabad

✍ *'The journal is overall an excellent attempt'*

CONTENTS

- INVESTMENT IN SECTORAL INDICES – A PROPOSAL WITH HIGH RISK AND HIGH RETURN (A RESEARCH STUDY IN INDIAN STOCK MARKET) 1
Dr. J.K. Singh
- DETERMINANTS OF COMMERCIAL BANK PROFITABILITY OF NEPAL 6
Surya Prasad Poudel
- IMPACT OF RETAIL STORE SALES EMPLOYEE PERFORMANCE ON CUSTOMER SATISFACTION, PURCHASE AND REPURCHASE INTENTION 17
Dr. Pankaj Agarwal
- INDIA'S ECONOMIC GROWTH AND THE COVID 19 PANDEMIC 30
Dr. Rajeev Johari
- PARTICIPATION OF WOMEN IN DECISION MAKING AND PROPRIETORSHIP PRIMARILY IN MICROFINANCE INSTITUTIONS 39
Dr. Santosh Kumar Panigrahi
- A CREATIVE APPROACH TOWARDS THE FURNITURE BUSINESS OPPORTUNITIES IN INDIA 49
Prof. Sandeep Bhattacharjee, Prof. Bratini Shome
- WORK-LIFE BALANCE AND ITS IMPACT ON JOB SATISFACTION— A SYSTEMATIC REVIEW 57
Prof. Aanchal Dwivedi, Prof. Shilpa Gaidhani

Investment in Sectoral Indices – A Proposal with High Risk and High Return

(A Research Study in Indian Stock Market)

Dr. J.K. Singh*

ABSTRACT

Investments in stock market have always been attractive for most individuals particularly familiar with the modus operandi of buying and selling of stocks. Though, one is always advised to exercise all kind of cautions before investing in stocks of company but the pace at which returns are generated sometime even during short span tempts one to forget all do's and don'ts and get carried away with the trend. It is during this euphoric state that one fails to distinguish between good and bad and starts treating all the sectors as well as companies equally. However, it has been observed that despite secular upward trend of market index, sectoral indices may exhibit movement in significantly different directions. The present study has been conducted to examine the movement of sectoral indices in comparison to broader market index and therefore cautions the investors for not painting all sectors with the same brush during any given period. It also offers a good opportunity to fund managers to allocate their funds in the sectors which are likely to outperform the overall market index and at the same time challenge their ability to forecast sectorwise growth of the entire economy. Keeping in view these facts at the background, this study has been conducted using various statistical test such as Kolmogorov Smirnov, Levene Statistic, Kruskal Wallis test and Mann Whitney U test to arrive at meaningful interpretation.

Key words: *Sectoral indices, Broader market indices, Kolmogorov Smirnov, Levene Statistic, Kruskal Wallis test and Mann Whitney U test*

INTRODUCTION

Stock market indices, often termed as barometer of economy, are designed or constructed with a view to represent true and fair picture of economy of any country. It, therefore, includes stocks of companies representing various sectors of economy. As all sectors in any given economy, however robust it may be, may not move with the same pace therefore the broader market index represents average growth in comparison to various sectoral indices. Some of the sector would lag and some would lead the Market index movement. The experts in the stock market, investment analyst and portfolio managers tracks the movement of specific indices and skew their portfolio in favour of such sectors which are expected to outperform the broader market index.

Objective of the Study

This study has been conducted with a view to examine the magnitude and direction of the industry specific indices against the movement of broader market indices in Indian Stock market. The outcome of the study would be relevant for many retail investors as well as fund managers by apprising them with the fact that merely index upward movement does not add to shareholders' wealth rather a consistent track of the market and portfolio revision at regular intervals is necessary so as to end up with excess return over market index return.

Research Methodology and Hypothesis of the study

The returns (in percentage) on monthly basis generated by the Nifty Energy Index (Sectoral

*Associate Professor, Department of Commerce, Aryabhata College, University of Delhi, New Delhi (India).



index constituted of stocks of companies from Energy industry listed at National Stock Exchange of India) (Sectoral index constituted of stocks of pharmaceutical companies listed at National Stock Exchange of India) and Nifty Pharma (Sectoral index constituted of stocks of pharmaceutical companies listed at National Stock Exchange of India) have been calculated and compared against the return generated by the Nifty 50 index (market index of National Stock Exchange of India) for the period March, 2019 to December, 2019. The return calculated on monthly basis in these three indices has been shown below in table 1 :

Table 1: Return on monthly basis generated by Nifty, Nifty energy and Nifty pharma index.

S. No.	Period	Return (%) Nifty	Return (%) Nifty energy	Return (%) Nifty Pharma
1	March	0.6	5.9	-1.26
2	April	3.8	11.68	2.1
3	May	4.4	12.5	3.73
4	June	5.08	14.1	6.02
5	July	0.84	6.84	-2.08
6	August	8.6	15.8	-3.74
7	September	1.3	6.7	-9.08
8	October	0.14	7.9	-16.6
9	November	4.6	12.5	-12.4
10	December	7.3	13.27	-10.37

It can be observed from the above table that a significant difference occurred in the returns offered by these three indices during the period under study. In order to examine, if these differences, are statistically significant or not, appropriate statistical depending on the nature of sample would be used. Therefore, the study test the null hypothesis that there is no significant difference among the returns generated by these indices.

H0 : Mean Return on Nifty = Mean Return on Nifty energy = Mean Return on Nifty Pharma (Null Hypothesis)

Ha: Mean Return on Nifty ≠ Mean Return on NIFTY energy ≠ Mean Return on Nifty Pharma (Alternative Hypothesis)

Analysis and Interpretation of Data under study

The descriptive statistics of the data shown in table 1 has been obtained using SPSS which is shown in table 2.

Table 2: Descriptive Statistics of Monthly returns by Nifty, Nifty energy and Nifty pharma index

	Descriptive Statistics				
	N	Mean	Std. Deviation	Mini- mum	Maxi- mum
Returnnifty	10	3.6660	2.91349	.14	8.60
Niftyenergy	10	10.7190	3.54951	5.90	15.80
Niftypharma	10	-4.3680	7.47569	-16.60	6.02

As can be observed, the mean return as well as the variability of return of different indices appears to be considerably different. In order to examine and test, if the differences are statistically significant, the value were subjected to One way ANOVA test after ensuring compliance of necessary conditions to be satisfied by the data. The essential conditions such as test of independence of sample, normality of data and homogeneity of variances in the sample test have been ensured.

TEST OF INDEPENDENCE

The condition with regard to the independence of samples has been met as the components in form of stocks of Nifty Energy and Nifty Pharma index are entirely different. The majority of the stocks in Nifty 50 (Broader market index) are different from the stocks in these two indices.

Test of Normality

The assumption of normality of data has been examined using one sample Kolmogorov-Smirnov test (K-S test) using SPSS. The result of the output are summarized below in table 3.

Table 3: Test Normality of Monthly returns by Nifty, Nifty energy and Nifty pharma index

One-Sample Kolmogorov-Smirnov Test				
		Return nifty	Nifty-energy	Nifty-pharma
N		10	10	10
Normal Parameters ^{a,b}				
	Mean	3.6660	10.7190	-4.3680
	Std. Deviation	2.91349	3.54951	7.47569
Most Extreme Differences				
	Absolute	.192	.207	.136
	Positive	.192	.186	.136
	Negative	-.118	-.207	-.133
	Kolmogorov-Smirnov Z	.606	.654	.429
	Asymp. Sig. (2-tailed)	.856	.786	.993

a. Test distribution is Normal.

b. Calculated from data.

As can be observed from above calculation, p-value (Asymp. Sig) is greater than .05, therefore, we can concluded that our data complies with the condition of normality. In order to test the homogeneity of variances among return, Levene statistic has been calculated using SPSS, as shown below in table 4:

Table 4: Test Homogeneity of variances of Monthly returns by Nifty, Nifty energy and Nifty pharma index

Test of Homogeneity of Variances Return on Indices			
Levene Statistic	df1	df2	Sig.
7.127	2	27	.003

The Levene statistic has been used to test the null hypothesis if there is significant difference among variance of the variables namely Return on the three indices under study. As the p-value of Levene's test is less than significance level of 0.05, the assumption of equality of variances is violated and use of non parametric test would be more appropriate.

Based on above analysis of the data, use of Kruskal Wallis test was considered appropriate in place of one way ANOVA test. In order to analyze

significant difference among pair(s) of the variable, Mann Whitney U test would be employed in place of Post hoc multiple comparison. The data shown in table 1 was subject to Kruskal Wallis test, using SPSS, and the output of the same is shown below:

Kruskal-Wallis Test

Table 5: Mean ranks (under Kruskal-Wallis test) of monthly returns by Nifty, Nifty energy and Nifty pharma index

	Ranks		
	Indices	N	Mean Rank
Return	Nifty	10	14.60
	Nifty Energy	10	24.70
	Nifty Pharma	10	7.20
	Total	30	

As can be observed from the mean rank of the three indices, the value of mean rank for the Nifty Energy index is maximum at 24.70 whereas it is lowest for Nifty pharma at 7.20. Further, the mean rank of both these indices significantly differ from mean rank of Nifty Broader market index, which is 14.60. The difference in their value, whether statistically significant or not, could be assessed from test statistic shown in table 6.

Table 6: Test Statistics of Kruskal Wallis test

	Return
Chi-Square	19.919
Df	2
Asymp. Sig.	.000

The output shown in table 6 above attempts to test the hypothesis whether the median value of return of these indices are same or not. As p value is 0.000 which is less than 0.05, we reject the null hypothesis which implies that there is significant difference among the return of the three indices. The difference in pairs were analysed using Descriptive statistics and Mann Whitney U test and the output of different pairs are given below in table 7 to 12



Pair I: Nifty and Nifty Energy

Table 7: Descriptive Statistics of Mann Whitney U test

Indices	Ranks		
	N	Mean Rank	Sum of Ranks
Return Nifty	10	6.20	62.00
Nifty Energy	10	14.80	148.00
Total	20		

Table 8: Test Statistics of Mann Whitney U test

Test Statistics	Return
Mann-Whitney U	7.000
Wilcoxon W	62.000
Z	-3.252
Asymp. Sig. (2-tailed)	.001
Exact Sig. [2*(1-tailed Sig.)]	.000b

- a. Grouping Variable: Indices
- b. Not corrected for ties.

The descriptive statistics of the pair (Nifty and Nifty Energy) shows there is significance difference in their mean ranks. However, their statistical significance difference is revealed by p value of the test statistic which is 0.001 which is less than significance value of $p = 0.05$. As the p value is less than significance level, it can be concluded that there is significance difference between the return of Nifty index and Nifty Energy index. Further, the mean rank of Nifty Energy is more than mean rank of Nifty. Thus, we can precisely conclude that Nifty Energy has generated significantly higher return than Nifty index during the period of study.

Pair II: Nifty and Nifty Pharma

Table 9: Descriptive Statistics of Mann Whitney U test

Indices	Ranks		
	N	Mean Rank	Sum of Ranks
Return Nifty	10	13.90	139.00
Nifty Pharma	10	7.10	71.00
Total	20		

Table 10: Test Statistics of Mann Whitney U test

Test Statistics	Return
Mann-Whitney U	16.000
Wilcoxon W	71.000
Z	-2.570
Asymp. Sig. (2-tailed)	.010
Exact Sig. [2*(1-tailed Sig.)]	.009b

- a. Grouping Variable: Indices
- b. Not corrected for ties.

The descriptive statistics of the pair (Nifty and Nifty Pharma) shows there is significance difference in their mean ranks. However, their statistical significance difference is revealed by p value of the test statistic which is 0.01 which is less than significance value of $p = 0.05$. As the p value is less than significance level, it can be concluded that there is significance difference between the return of Nifty index and Nifty Pharma index. Further, the mean rank of Nifty Pharma is less than mean rank of Nifty. Thus, we can precisely conclude that Nifty Pharma has generated significantly lower return than Nifty index during the period of study.

Pair III: Nifty Energy and Nifty Pharma

Table 11: Descriptive Statistics of Mann Whitney U test

Indices	Ranks		
	N	Mean Rank	Sum of Ranks
Return Nifty Energy	10	15.40	154.00
Nifty Pharma	10	5.60	56.00
Total	20		

Table 12: Test Statistics of Mann Whitney U test

Test Statistics	Return
Mann-Whitney U	1.000
Wilcoxon W	56.000
Z	-3.705
Asymp. Sig. (2-tailed)	.000
Exact Sig. [2*(1-tailed Sig.)]	.000b

- a. Grouping Variable: Indices
- b. Not corrected for ties.

The descriptive statistics of the pair (Nifty Energy and Nifty Pharma) shows there is significance difference in their mean ranks. However, their statistical significance difference is revealed by p value of the test statistic which is 0.000 which is less than significance value of $p = 0.05$. As the p value is less than significance level, it can be concluded that there is significance difference between the return of Nifty Pharma index and Nifty Energy index. Further, the mean rank of Nifty Energy is more than mean rank of Nifty Pharma index. Thus, we can precisely conclude that Nifty Energy has generated significantly higher return than Nifty Pharma index during the period of study.

The analysis and interpretation of the output obtained from Kruskal Wallis test and Mann Whitney U test (among the following pairs of indices : Nifty – Nifty Energy, Nifty- Nifty Pharma and Nifty Energy- Nifty Pharma) confirms that the indices have generated statistically significant returns during the period under study.

CONCLUSION

The study was conducted primarily to test the

hypothesis, if at any given period of time, all the sectors moves in tandem with the broader market index which is commonly referred as SENSEX (at Mumbai Stock Exchange, Mumbai, India) or NIFTY (at The National Stock Exchange of India. In order to conduct the study movement of Nifty index, Nifty Energy index and Nifty Pharma index was tracked for the period March,2019 to Dec,2019 and their monthly returns were calculated and compared using an appropriate statistical test based on a characteristic of the data observed for the study. It was observed that significantly different return were offered by these three indices during the same period. The outcome of the study is relevant for fund managers and investors in stock market in India as the common belief among the large investors' community that shareholder wealth keep on increasing with the increase in value of market index gets belied. One need to exercise abundant caution while investing in the stock markets or choosing stocks for investment as the study reveals that at any given period some of the sectoral indices may outperform the market index whereas other may heavily underperform and can even lead to a negative return in some situations.

REFERENCES

- i. Angabini, A., & Wasiuzzaman, S. (2011). GARCH models and Financial Crisis- A study of Malayasian Stock market. *International Journal of Applied Economics and Finance*, 5(3), 226-236.
- ii. Hritha,M.,Nagendra,M.&Rvi,V.(2014), NSE NIFTY and its correlation with sectorial indexes, *International Journal of Conceptions on Management and Social Sciences*,2(1),9-13.
- iii. Jeeyanthi, B. J. Q., William, A., & Kalvathy, S. T. (2012). The impact of Global financial crisis on Indian Stock markets. *International Journal of research in commerce & management*, 3(2), 71- 75.
- iv. Khan, A. Q., & Mehtab, M. (2010). Strategies and Opportunities for Indian Economy to Come Out Of the Impact of Global Economic Meltdown Morass. *International Review of Business and Finance*, 2(1), 1–27
- v. Kaur, P. (2010). Impact of recession on India: A Sector-wise Analysis. Submitted to Thapar University, Patiala. Retrieved from [http:// dspace.thapar.edu:8080/dspace/bitstream/10266/ 1133/3/1133.pdf](http://dspace.thapar.edu:8080/dspace/bitstream/10266/1133/3/1133.pdf)
- vi. www.nseindia.com



Determinants of Commercial Bank Profitability of Nepal

Surya Prasad Poudel*

ABSTRACTS

Profit does not happen; it must be managed. Different internal and external variables influence the profitability of a commercial bank. This research has taken 13 years of panel data from commercial banks' annual supervision reports, commercial banks' financial statements, and researcher's analysis works. The profit is taken as a dependent variable and independent variables: total assets, total liability, term deposit, operating income, operating expenses, interest income, and interest expenses. The mean, standard deviation, maximum, and range analysis show that a commercial bank's financial features are at an increasing stage. The correlation coefficients of studied variables with profit are found 0.987 to 0.813, which means each variable has a role in profitability. The regression model results show a very high R^2 , significant F-statistic, and no problem of autocorrelation. The entire model explains between 95.6 percent to 98.6 percent variation in the profitability due to predictor variables. TD, TA, and II have positively, and TL, OI, and OE have negatively contributed to profitability levels in the commercial banks of Nepal.

Keywords: profitability, assets, liabilities, interest income

BACKGROUND

Banking activities assist the economic growth of a country. Possessing an efficient financial firm to boost and uphold the economy's growth is required for all countries (Roghianian, Rasli &, Gheysari, 2012, p 550). The banking sector could play a significant role in improving the economic structure and infrastructure of a country: as they can the role of economic growth, resource mobilization, and job creation in the country. According to Levine, Loayza, and Beck (2000), a better financial organization could enhance the country's economic activities. The primary responsibility of financial institutions is to allocate and multiply the savings of society. The efficiency with which the intermediate capital has substantive resonations on the performance of the economy. The advancement of technology, globalization, deregulation, and financial modernization are causes behind the financial sector's competition. The banking sector management has paid attention to the formulation

of low-cost strategies and economic scale achievement for sustainable growth in a competitive business environment. In these circumstances, modern bank management analyzes internal and external influencing variables of profitability. They are imposed to find a new basis for competition, and they have to improve the quality and productivity of their own products/services (Zineldin, 1996). In a competitive market environment, financial institutions have focused their strategies toward new product development with quality.

Nepalese history of banking started in 1937 AD with Nepal Bank Limited. Before the era of economic liberalization in 1992 AD, there were a limited number of banks, and most of them were owned by the government. They had low capital and protection provided by government policies and rules. Nepal Rastra Bank regulated them. After the liberalization of the economy, the financial sector was opened. There are 28 commercial banks run by the private, joint venture,

* Associate Professor: Faculty of Management, TU, Padmakanya Multiple Campus, PhD. Scholar, Pokhara University, Suryapoudel2024@yahoo.com

and government sectors of Nepal. At the end of mid-July 2015, 177 banks and non-bank financial institutions licensed by Nepal Rastra Bank (NRB) were in operation. Out of them, 28 are “A” class commercial banks, 67 “B” class development banks, 40 “C” class finance companies, 42 “D” class micro-credit development banks, 15 saving and credit co-operatives, and 28 NGOs. Also, the total banks’ branches reached 4274 (NRB supervision report of commercial bank 2016, p.1). Nepal’s central bank has taken the merging policy of the commercial bank and financial institution in the latter period.

Profitability does not just happen; it is generated from a combination of different factors. It is called profitability as a net result of a large number of policies and decisions. The profitability is affected by internal and external factors. The financial profitability lies in a firm’s ability to generate revenues over its costs: for either long or short term. The resources must be appropriately allocated for the profit maximization of a firm. The allocation of resources between an organization’s different activities depends on internal strengths and weaknesses and external opportunities and threats. The management is responsible for the formulation of proper strategies and policies for profit maximization.

The study of corporate performance determinants should assist managers, investors, and the government to plan and deal with the rising uncertainty in the banking sector in the competitive market. Bourke (1989) had pointed out the determinants of the performance related to bank management decisions, an internal variable, and to the economic environment, an external variable. The profitability determinant of banking sectors can broadly categorize as internal and external factors. Various research has shown that internal factors are related to a firm like size, capital adequacy, ownerships, cost structure, business risk, liquidity, personnel expenses, ownership status, etc. Similarly, external factors related to the economic environment include market structure, inflation,

money supply, growth rate, customer index price, stock market price, etc. Internal factors can be managed by efficient and skilful management. But the global banking sector has been remarkably influenced by deregulation, technological improvement, and financial modernization.

STATEMENT OF THE PROBLEM

Commercial banks are the lifeblood of the economic development of a country. They are known as the measuring rod of the economic health of a nation. But the financial health of a bank is evaluated through profit-generating capability. The performance of an organization explains a profit-generating capacity. The profitability is a combination of internal and external factors. Banks’ internal factors are managerial decision, adequacy of capital, operating income, operating expenses, term deposit collection, interest income, etc.

On the other hand, external factors include the country’s economic conditions, GDP, government policy, market size, inflation rate, etc. Such variables are to be identified, and their impact on profit should be analyzed. Which factor has a significant role in profitability generation in Nepalese commercial banks? It is the central question of Nepalese commercial banks. The previous researchers have explained the profitability model of the financial institution and banks in the econometric model. They have concluded that different variables positively and negatively impact banks and financial organizations’ profitability. In the case of Nepalese commercial banks, there has been a shortage at econometrics model of profitability. That is why the positive and *negative impact of different variables in Nepalese commercial banks’ profitability is another issue of the study.*

OBJECTIVES OF THE STUDY

The main objective was to show the profitability model of commercial banks of Nepal. The specific objectives of this study were;



- a. To analyze the significant financial features of commercial banks of Nepal.
- b. To find out the critical fundamental of profitability of commercial banks of Nepal.
- c. To determine the most significant influencing variable on the profitability of commercial banks of Nepal.

LITERATURE REVIEW

Finance has two significant roles in the economy, which can report and provide necessary information for future planning. The analysis of financial data means a measurement of the past performance of an organization. Ochieng and Ahmed (2014) clear the function of finance is the monitoring and evaluating the implementation of its business strategy and serves as a basis for reporting for future planning. Filipovic (2005) explains that ratio analysis is an excellent tool to evaluate an organization's profitability, liquidity, solvency, and financial stability. Abraham (2006) explains financial ratio analysis formalizes and quantifies financial data to facilitate comparison within an organization. But, in this research, the financial ratio has not been used.

Financial performance refers to the firm's overall financial health organization over a given period. Financial profitability, about the financial performance evaluation, shows its' ability to earn profits proves a measure of its market strength, its ability to keep down costs. Profitability also affects the amount of investment. For, much industrial investment is financed out of reinvested profits, hence the firm's contribution to the overall growth of the economy (Killick, 1983, p.183). The investment depends on saving. Profit is the primary source of saving, and profit is derived from the efficient use of resources. Financial performance analysis determines the functional and financial features of a firm from accounting and financial statements. The financial performance analysis enables an organization to identify opportunities to improve the department, unit, or organizational level. The researchers have

applied different ratios for analysis of financial performance. Financial profitability is thus a simple and straight forward indicator that indicates the extent of an enterprise's success. Profitability is the quality of affording gain. The profit is a criterion variable. There are numerous variables, which are known as predictor variables.

An empirical study of Khandoker, Raul, and Rahman (2013) analyzed the correlation between net profit, total asset, total liability, operating income, operating expenses, term deposit, and total equity. These variables have a positive correlation with net profit except term deposit and operating expense. The regression analysis results show equity and liability, operating expense, total asset affect the profitability of any non-banking financial institution company of Bangladesh. The term deposit affects the profitability but not statistically significant. The study of Jahangir, Shill, and Jahid Haque's (2007) profitability analysis of Bangladesh's commercial banks shows the correlation of profit with market concentration, market size, market risk, and equity return. The stepwise regression result concluded that market concentration and bank risk explained bank return on equity. They found that market size and bank's return on equity has a strong relationship for profit generation. In the research, they also suggested that capital adequacy was another critical factor for banks' profitability. The study of Mazumder (2015) shows that the total assets, total equity, and operating revenue expressively influence the non-banking segment's profitability in Bangladesh. He also concluded that stakeholders usually observe the financial organizations be superior to others if their total asset is upper.

Jabbar (2014) has analyzed net interest margin, bank size, loan growth, insider lending, operating expenses, and nonperforming loan as predictor variables of bank profitability determinants of Pakistani banks. He has shown that adequate capital and large size helps in banks being profitable. He has found that the deposit growths

in Pakistani banks are not utilized efficiently. The Philippines banks profitability determinant internal and external variables (size, credit risk, and expense preference behaviour, economic growth, money supply, stock market capitalization) by Sufian, and Chong (2008). Their analysis shows that the bank-specific determinant variables have a statistically significant impact on bank profitability. They find that size, credit risk, and expense preference behavior are negatively related to banks' profitability, and non-interest income and capitalization have a positive impact on the bank's profitability. Inflation shows a negative impact on bank profitability. But economic growth, money supply, and stock market capitalization have not significantly explained the variations in the profitability Philippines banks' profitability.

Scott and Arias (2011) and Mamatzakis and Remoundos (2003) had tried to determine the econometric profitability model of bank America and Greek. They have developed a regression model with the bits of help of financial ratios. In the case of America, profitability determinants for the banking industry include a positive relationship between the return on equity and capital to asset ratio and the annual percentage changes in the external GDP per capita growth rate internal and external variables. In Greek personnel expenses, loans to assets ratio, equity to assets ratio were to be explained for profitability the Greek commercial banks' profitability. The structural change of banks has a positive impact on the market shares of Greek commercial banks.

The review of the literature shows that bank profitability is a dependent variable. It has different explained variables. They are broadly categorized into internal and external variables. Profit does not just happen; the management of the organization must manage it. The determinant variables of profit may vary due to various causes. Some study has accomplished by the help of financial ratio. There is a lack of formal study of such variables that goes along the econometric model. In this

context, there is a lack of proper analysis of such variables in the Nepalese banking environment.

RESEARCH METHODOLOGY

The empirical and analytical research designed has been used in this research. The data were collected from commercial banks' annual reports, annual supervision reports of commercial banks, and other reports of Nepal Rastra Bank (Central bank of Nepal), research articles, and web sites. The published data of 28 commercial banks has been taken for analysis purposes from 2003/004 to 2015/016. So, this research entirely depends on secondary data published by the Central Bank of Nepal.

This research has tried to explore Nepalese commercial banks' financial features through the use of descriptive statistics. The factors of profitability are to explore by the Pearson correlation coefficient and investigate the correlation at a 5% level of significance. The variables have been expressed in natural logarithms (ln). Besides, an assessment has been made to find out the determinants of profitability of the Nepalese commercial banks, which is derived by using the aggregate production function (Regression Model) framework of the following type:

$$\ln NP = \ln \alpha + \alpha_1 \ln TA + \alpha_2 \ln TL + \alpha_3 \ln TD + \alpha_4 \ln OI + \alpha_5 \ln OE + \alpha_6 \ln II + \alpha_7 \ln IE + \varepsilon$$

NP = net profit, the dependent variable, TA = total assets, TL= total liability excluding term deposit, TD = term deposit, OI= operating income excluding interest income, OE = operating expenses excluding interest expenses, II= interest income, and IE= interest expenses. $\alpha_1, \alpha_2, \alpha_3, \alpha_4, \alpha_5, \alpha_6$ and α_7 are elasticity. ε = stochastic error term.

The normality of data has been tested by the application of the One-Sample Kolmogorov-Smirnov Test. Statistical software SPSS 18th crash version has been taken for calculation of result in this study.



ANALYSIS AND PRESENTATION

Descriptive statistics of net profit and other variables

The net profit is derived from the differentiation between revenue and expenditures of a specific period. Internal, as well as external factors have influenced the profit of a bank. In this research, some internal factors have been analyzed to find the financial features of commercial banks of Nepal.

Table 1 shows descriptive statistics of 13 years on internal variables. These variables have shown major financial features of Nepalese commercial banks. The net profit that has been found varies between Rs. 4909 to Rs.56664 from 2005 to 2015. The average profit was Rs.21436.54 with Rs.15334.62 standard deviation. There has been found variation in profit-earning capacity with an increasing trend at a remarkable pattern. The range analysis of total assets shows a higher deviation in the commercial bank assets between 2003 and 2015. The average asset has been found Rs.863924.92, which is higher than the minimum Rs.259520 in 2003. The range clears that assets of commercial banks increased significantly beginning to ending a period of the study. The term deposit analysis has shown an average of Rs.746073 in thirteen years with Rs 1557568 range between the maximum and minimum levels in the study period. It also shows

a positive sign of fund collection and banking habits of people in Nepal. The analysis shows that the profitability position of Nepalese commercial bank is in increasing trend.

Similarly, the deposit has grown significantly within the study period. There was an increase in assets, liability, operating income, operating expenses, interest income, and interest expenses in the study period. The central bank of Nepal has been found to usher the policy of increase in the commercial bank's capital, emphasized on opening branches in the remote area, including city, etc. On the other hand, the conflict between the government and revolutionary groups has resolved the conflict that also helped enhance Nepal's economic activities. Descriptive statistics analysis shows the commercial bank's financial features on the right track and prosperous manner.

CORRELATION ANALYSIS

A correlation has measured the associations between the two matrix variables. In this study, profit is the dependent variable, and others were taken as independent variables. The association of profit with term deposit, interest income, interest expenses, total assets, total liabilities, operating expenses, and operating income variables has been measured to find the keys to a commercial bank's profitability in Nepal.

Table 2 shows the correlation of net profit with

Table 1: Descriptive Statistics (in million Rs.)

Variables	N	Mean	S.D	Range	Minimum	Maximum
Net profit (NP)	13	21438.5400	15334.62	51755.00	4909.00	56664.00
Total assets (TA)	13	863924.92	580050.67	1829366.00	239822.00	2069188.00
Total Liability (TL)	13	60073.15	19172.86	78135.00	28612.00	106747.00
Operating income (OI)	13	8906.15	5394.01	16719.00	2950.00	19669.00
Operating Expenses (OE)	13	16796.69	9645.07	27466.00	5730.00	33196.00
Interest income (II)	13	58128.15	36896.97	102089.00	12870.00	114959.00
Interest expenses (OE)	13	28973.23	19192.27	45737.00	6462.00	52199.00
Term deposit (TD)	13	746073.92	494180.26	1557567.00	206678.00	1764245.00

Source: Annual Supervision Report (2008, 2011 and 2016)

Table 2: Correlation between variables

	NP	TA	TL	OI	II	OE	IE	TD	
NP	Pearson Correlation Sig. (2-tailed)	1							
TA	Pearson Correlation Sig. (2-tailed)	.987**	1						
TL	Pearson Correlation Sig. (2-tailed)	.876**	.843**	1					
OI	Pearson Correlation Sig. (2-tailed)	.981**	.998**	.821**	1				
II	Pearson Correlation Sig. (2-tailed)	.919**	.957**	.817**	.954**	1			
OE	Pearson Correlation Sig. (2-tailed)	.960**	.987**	.824**	.988**	.984**	1		
IE	Pearson Correlation Sig. (2-tailed)	.814**	.873**	.732**	.871**	.975**	.926**	1	
TD	Pearson Correlation Sig. (2-tailed)	.985**	1.000**	.829**	.999**	.953**	.986**	.867**	1

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

other predicting variables at a one percent significant level. The study shows that the predicting variables in the study have a significant relation with net profit. The correlation of profit with other variables is 0.987 to 0.814 in 13 years of study. It means that there is a strong correlation of profits with other studied variables. So, the studied predating variables were found to be critical fundamentals of profitability of commercial banks in Nepal.

Normality test

The normality test is applied when we want to determine whether a set of data may be looked upon as a random sample from a population having a given distribution. Kolmogorov-Smirnov normality test is used for the identification of variables values, which usually shows distributed or not. It is typically applied to determine the normality of the parametric test or non-parametric

Table 3: One-Sample Kolmogorov-Smirnov Test

	TA	TL	OI	II	OE	IE	NP	TD
N	13	13	13	13	13	13	13	13
Normal Parameters ^{a,b}								
Mean	863924.92	60073.15	8906.15	58128.15	16796.69	28973.23	21438.54	746073.92
Std. Deviation	580050.67	19172.86	5394.015	36896.97	9645.07	19192.27	15334.62	494180.26
Most Extreme Differences								
Absolute	.143	.168	.171	.177	.149	.226	.178	.163
Positive	.143	.168	.171	.177	.149	.192	.178	.163
Negative	-.141	-.098	-.135	-.149	-.126	-.226	-.141	-.138
Kolmogorov-Smirnov Z	.517	.605	.618	.640	.538	.814	.640	.586
Asymp. Sig. (2-tailed)	.952	.858	.839	.808	.934	.522	.807	.882

a. Test distribution is normal

b. Calculated from data

test of data.

The hypothesis of this test was all the variables in the study, which were normally distributed.

P's calculated value has been found to more than 0.05 level of significance of each variable, which means that the null hypothesis has not been rejected. So, the value of all variables has been normally distributed. So, the test has allowed the validity of the study.

Regression Model of the Study

This research has tried to identify the profitability model of Nepalese commercial banks. In this study, only internal variables were taken for model development. The model and variables of the model are;

Table 4: Shows the determinants of profitability in the Nepalese commercial banks

Explanatory variables	Model 1	Model 2	Model 3	Model 4
NLTD	1.12 (17.872)*			-7.595 (-3.231)*
NLII		2.285 (4.339)*	2.101 (3.996)*	
NLIE		-1.213 (-2.504)*	-1.146 (-2.441)*	0.509 (-3.079)*
NLTL			0.341 (1.332)	-0.594 (-2.231)
NLTA				9.255 (3.672)*
C	-5.910 (-6.218)*	-2.683 (-2.544)*	-15.122 (-2.447)*	-2.061 (-1.061)*
R	0.983	0.978	0.981	0.995
R ²	0.967	0.956	0.963	0.991
Adjusted R ²	0.964	0.956	0.951	0.986
F statics	319.391*	107.566*	77.862*	212.629*
DW statistics	1.068	1.33	1.572	1.876

*Significant at 5 percent level.

Source: Author's calculation based on annual supervision reports (2008, 2011 and 2016), Nepal Rastra Bank.

In this model, profit is a dependent variable, and total assets (TA), total liability (TL), term deposit (TD), operating income (OI), operating expenses

(OE), and interest income (II) are explanatory variables. All the four models explained in Table 4 are well fitted since all the variables have very high R², significant F-statistic, and no autocorrelation problem. F-statistic is significant at 1 percent level. The entire model explains between 95.6 percent to 99.5 percent variation in the profitability. DW static indicates that all these models are free from autocorrelation.

In the first model, TD's coefficient is positive and statistically significant at a 1 percent level, implying that a one percent increase in TD of commercial banks leads to a 1.12 percent increase in the level of profits. The investment of a commercial bank depends on term deposit collection from the depositor. The largest fund of the commercial banks in Mid July 2016 was deposit (85 percent), which totaled to Rs.1764.24 billion, of which private banks held Rs. 1441.36 billion (81 percent) (NRP supervision report 2016 p. 22). The Nepalese commercial banks have invested the amount as an investment, loan, and advance to the public, government bond, and development sectors. But in Pakistan's case, the deposit collection hurts profitability; the coefficient has a negative sign because the Pakistani banks were unable to invest this significant growth in deposits into profitable loan portfolios (Jabbar 2014, p 113). The study of Bangladesh has shown a negative impact on profitability by term deposits (Khandoker 2013, p.37). The analysis has shown that the Nepalese commercial banks have invested their collected term deposit in profitable work.

In the second model, the coefficient of II is statistically significant at 1 percent level with a positive sign, meaning that increases in II were associated with a higher level of profitability. Bank and financial institutions are involved in trading activities of money. They included earned service fees, charges, interest from investment as loans and advances, etc. The Fiscal Year's interest income of 2014/015 and 2015/016 was Rs. 52.75 billion and Rs. 65.98 billion. The net profit in the same period was Rs.28.12 and 36.81 billion (NRB

report 2016, p.54). The result supported the statistical result of the analysis. The interest income has to be the bearer of the operating expenses of commercial banks. The result shows that interest income is a significant income source of commercial banks in Nepal. But, the operating expenditure gets recovered by interest income in Nepalese commercial banks. The coefficient of IE is statistically significant at 1 percent level with a negative sign, meaning that an increase in IE of commercial banks by 1 percent reduces its profitability by 1.213 percent. Expenditure has a positive role in the increment of revenue and profit within a limit. The function of profit revealed that revenue must higher than expenses for profit. The organizations need to control costs for an increase in profit. There is a negative relationship between expenses and profit. The result suggests well that commercial banks of Nepal have not adequately controlled interest expenditure. The study's result has matched with the result of Khandoker et al. (2013, p.37) study of Bangladesh negative impact of expenses on profitability of non-banking sector financial institution.

In the third model, the coefficient of II is statistically significant at 1 percent level with a positive sign, meaning that an increase in II of commercial banks by one percent increases the level of profits by 2.101 percent. The reason for profitability has been given already in model 2. Unlike TL has not been found statistically significant in this model. But the interest expense hurts the profitability of Nepalese commercial banks. The Nepalese commercial banks have been suffered from the dominating role of deposit (Loan). According to the NRB supervision report 2016, the term deposit occupied 85 percent of the total liability; the principle of capital structure management has not supported the result. Higher debts invite higher interest expenses having an impact on profit. The interest expense has a fixed nature. It has the ultimate burden on the profit-earning capacity of a business organization. Nepalese commercial banks have a similar result, which follows the study of Khandoker et al. 2013

in Bangladesh. Here an important question arises— are commercial banks of Nepal at the saturation point of the product life cycle? The result indicates that the cost of collecting such debt is at an increasing trend. Ultimately, they impact revenue as a law of diminishing returns. The net operating profit has been recorded as less than net interest income by NRB report. It indicates that the operational cost has overburden for reducing profit on Nepalese commercial banks. But the reverse result has been disclosed by Bangladesh and Pakistani research on these variables.

Model 4 shows the relationship of TA, TL, IE, and TD with the profitability of Nepal's commercial banks. The TA coefficient is statistically significant at a 1 percent level with a positive sign, which means that an increase in TA of commercial banks by one percent increases the level of profits by 9.255 percent. An increase in loan and investment means an increase in revenue, which positively impacts the banks' profitability. Loan and advances of the commercial banks increased by 27.50 percent to Rs. 1,363.70 Billion in the Fiscal Year 2015/16 compared to growth of 22.40 percent to Rs. 1,069.56 billion in the last fiscal year (NRB supervision report 2016 P.23). This study has supported the study of Bangladesh by Khandoker et al. (2013); total assets positively impact the non-banking financial institution. The public deposit has occupied a significant role in the investment of commercial banks. The coefficient of TL is not found statistically significant at the 1 percent level. The relation between total liability and profitability is reverse. But the IE has a positive impact on the profitability of Nepalese commercial banks. The Term deposit has found a negative role in profitability, according to this model. The coefficient of OE and II are not statistically significant even at the 10 percent level with a negative sign, which indicates that OE and II have not contributed to profitability of the Nepalese commercial banks.

Thus, TA and II have positively contributed to the profitability of Nepal's commercial banks, whereas



IE has negatively contributed to the profitability level in the banks. But there has found a mixed result of TD according to the model explanation.

CONCLUSION

In this study, 13 years of panel data have been taken from the commercial bank's annual supervision report by Nepal Rastra Bank (central bank of Nepal). Internal and external factors have influenced the profitability of banks and financial institutions. Organizational efforts in an organization should manage internal factors. In this study, profitability has been taken as a dependent variable, and operating income, operating expenses, total assets, total liabilities, interest income, interest expense, term deposit are the criterion variables. The descriptive statistics show the financial position of a commercial bank positively. Each factors' beginning value has increased significantly in the end period of the study than in the beginning. The profit has increased remarkably in the end. There is an increase in operating income, operating expenses, term deposit collection, interest income, total assets, total liability, interest expenses, and profit. It has proved that the financial performance of commercial banks of Nepal is on the right track. The increase in a term deposit and profit has not supported Jabbar's (2014) finding that conclusion of the deposit in growth in Pakistani banks has not been utilized efficiently.

In contrast, the Nepalese commercial banks have utilized their deposit efficiently. The practice helped to solve the liquidity problems in the bank and financial institution in mid of 2017. The central bank of Nepal has taken a policy of two folds in the commercial bank's existing capital. The policy either drives for merging or adding capital that impacts increased assets, liability, operating income, term deposit, etc. This study's predicting variable has been found a strong relationship with net profit, as Khandoker, Raul, and Rahman (2013) found in Bangladesh. They have a decisive

role in the profitability of Nepalese commercial banks. Internal factors significantly influence the profitability of commercial banks. The studied variables have been able to explain the profitability of Nepalese commercial banks to some extent.

The regression analysis shows the different models of profitability. All the four models explained are reasonably fit since all the variables have very high R^2 , significant F-statistic, and no problem of autocorrelation. F-statistic is significant at 1 percent level. The entire model explains between 95.6 percent to 99.5 percent variation in the profitability. DW static indicates that all these models are free from autocorrelation.

One percent increase in TD of commercial banks leads to a 1.12 percent increase in the commercial bank's level of profits. Increasing II by 1 percent increases the profitability by 2.285 percent. An increase in IE of commercial banks by 1 percent reduces its profitability by 1.213 percent. An increase in TA of commercial banks by one percent increases the level of profits by 9.255 percent. An increase in OI of commercial banks by 1 percent reduces its profitability by 0.76 percent. The finding analysis shows that the commercial banks in Nepal should consider the following point.

- The financial performance of commercial banks in Nepal is an increasing trend. The investment should enhance bank growth in the future.
- The previous researchers' findings have shown that internal and external factors have influenced banks and financial institutions' profitability. The study also supports and shows the strong correlation of profit along with the studied variables. The bank management should organize a detailed study about external and external variables to induce profitability in the future.
- The term deposit, total assets, and interest income have a positive contribution to commercial banks' profitability. But interest expenses have a negative contribution to

Nepalese commercial banks. The total liability has not been found significant in any model. The management of commercial banks should increase total assets, interest income, and term deposit. So, the management of commercial banks should formulate a cost control strategy through a reduction in interest expenses in the future.

Declaration

I hereby declare that the work entitled Profitability Determinant of Commercial Banks in Nepal is an original work done by myself under the guidance of Prof. Dr Shyam Bahadur Katwal, the research head Tribhuvan University Padmakanya Multiple Campus.

REFERENCES

- Abharam, A. (2006). Financial management in the nonprofit sector: A mission base approach to ratio analysis in membership organizations. *The Journal of American Academy of Business*, 9(2), 212-217.
- Bourke, P. (1989). Concentration and other dimensions of bank profitability in Europe North America & Australia. *Journal of Banking and Finance*, 13, 65-79.
- Filipovic, A. (2005). Impact of privatization on economic growth. *Under graduate Economic Review 2(1/7) Retrieve from Emerald Database*.
- Jabbar, H. (2014). Determinants of bank profitability. *Journal of Business and Management*, 16 (1), 109-113. www.iosrjournals.org.
- Jahangir, N., Shill, S., & Haque, A. J. (2007). Examination of profitability in the context of Bangladesh banking industry, 27 (2). *ABAC Journal*, 36-46.
- Khandokar, M. S., Rahul, R. K., & Rahman, S. G. (2013). Determinants of profitability of nonbanking financial institutions' in a developing country: Evidence from Bangladesh. *International Journal of Management Sciences and Business Research*, 2 (4), 31-42.
- Killick, T. (1983). *Policy Economic: A Text Book of Applied Economics in Developing Countries*. London: Heiremann.
- Mamatzakis, E. C., & Remoundos, P. C. (2003). Determinants of Greek commercial banks profitability. *Spoudai* 53 (1), 84-94.
- Mazumder, M. A. (2015). Stimulus of profitability of nonfinancial institutions: Evidence from Bangladesh. *International Journal of Business and Management Review* 3(10), 32-41
- Killick, T. (1983). *Policy Economic: A Text Book of Applied Economics in Developing Countries*. London: Heiremann.
- Nepal Rastra Bank (2007). Annual bank supervision report. Kathmandu, Nepal Rastrya Bank (www.nrb.org.np/bsd/report/ Annual reports. Annual bank supervision.)
- Nepal Rastra Bank (2011). Annual bank supervision report. Kathmandu, Nepal Rastrya Bank (www.nrb.org.np/bsd/report/ Annual reports. Annual bank supervision.)
- Nepal Rastra Bank (2016). Annual bank supervision report. Kathmandu, Nepal Rastrya Bank (www.nrb.org.np/bsd/report/ Annual reports. Annual bank supervision.)
- Ochieng, M. D., & Ahmed, A. H. (2014). The effects of privatization on the financial performance of Kenya Airways. *International Journal of Business and Commerce* 3(5), 10-26.
- Roghinian, P., Rasli, A., & Gheysari, H. (2012). Management productivity through effectiveness and efficiency in the bank industry. *The International Conference on Asia Passific Business Innovation and Technology*.
- Scott, J. W., & Arias, J. C. (2011). Bank profitability determinants. *Business Intelligence Journal* 4(2).
- Sufian, F., & Chong, R. R. (2008). Determinants of banking profitability in a developing economy: Empirical evidence from the Philippines. *AAMJAF* 4(2), 91-112.



Zineldin, M. (1996). Bank-corporate client “ Partnership” relationship: Benefits and lifecycle. *International Journal of Bank Marketing* 14, 14-22.

Editing report

The document had overall score 48 with 431 inaccuracies requiring multiple rephrasing the sentence structures and a 5% plagiarism, which is clean and improved to overall score 99.

The 2% plagiarism and reported 30 inaccuracies from pasted reference links may disappear by manually re-entering citations and references in the word processor. Images of comparative reports of your article appear at the end of this document. Thanks.

After and Before Editing Status...

Impact of Retail Store Sales Employee Performance on Customer Satisfaction, Purchase and Repurchase Intention

Dr. Pankaj Agarwal*

ABSTRACT

The purpose of this research paper is to find out the relationship between the performance of sales employees of organised retailers in India and its impact on customer planned purchases, customer satisfaction with employees, and with the retail store and also on repeat purchase intention on customers. Data were collected with the help of a structured questionnaire; questionnaires were e-mailed to the respondents from different major cities of India. Structural equation modelling was employed to test the proposed model fit. This research shows that the performance of sales employees of organised retail stores has a positive impact on planned purchase by customers in the retail stores, the satisfaction of the customer with a retail store, and the repeat purchase intention of the customers.

Keywords: Organised retailing, sales employees, planned purchase, customer satisfaction, repeat purchase.

1. INTRODUCTION

Retailing in India has been present in the form of conventional, small, mom, and pop shops. Where the owner of the retail outlet served the customer directly, they have first-hand contact and interaction with the customers. Organised retailers differentiated themselves from conventional shops based on touch and feel advantages. Customers had to stay outside the retail shop and were dependent on retail owners to choose and buy a product; customers had no access to move inside the shop. Organised retailers have such a layout and display that customers can move inside the retail store, they can touch and feel the product.

Retailers also gave importance to one stay shopping as their differentiation point. Organised retailers gave importance to retail store atmospherics, product display, quality of the product, and price of the products. Many

pieces of research in the field of organised retailing concentrated their work on such dimensions of retailing. Very few researches have been conducted to find the role, importance, and

consequences of performance of retail employees. In organised retailing, floor sales employees are the persons, who contact the customers and perform selling activities.

The research question in this research study is that if customers give importance to interaction with and performance of retail sales employees, if satisfaction of the customers with a retailer is related to satisfaction of the customers with retail sales employees, if customers buy or buy more their planned purchases due to performance of retail sales employees, If the satisfaction of the customer with a retailer due to the performance of retail sales employees will result in repeat purchases from the same retailer. To answer these questions this research study was conducted.

2. LITERATURE REVIEW

2.1 Employee Performance

Many research studies have been conducted to understand the role of employees in the service sector, this role is considered as an important

* Professor, Rakshpal Bahadur Management Institute, Bareilly (UP) pankajagarwal@rbmi.in



element of service quality (Dabholkar *et al.*, 2000; Parasuraman *et al.*, 1988). The behaviour of service employees is important and this behaviour affects the customers' perception of service (Bitner *et al.*, 1990). In the organised retail sector, the interaction between employees of retail stores and customers has a significant impact on customer perception towards the organisation (Gremler and Gwinner, 2000). Service quality dimensions of SERVQUAL measures the behaviour of employees. SERVQUAL dimensions responsiveness, assurance, and empathy are related to the behaviour of employees (Parasuraman *et al.*, 1988).

Hanna *et al.*, (2004) define employees behaviour consists of sequences of actions performed by them within the organisation. The behaviour of employees establishes a connection between the organisation and customers (Gronroos, 1990; Gwinner *et al.*, 1998). The organisation can establish relations with customers with the role of employees (Menon and Dube, 2000). The marketing concept requires an integrated approach; all activities of an organisation should be for customer satisfaction, mutually beneficial, and developing long term relationships (Kotler, 1980). Lehtinen and Lehtinen (1991) found that perception of service quality is formed by the perception of customers regarding physical quality, interactive quality, and corporate quality. Interactive quality is related to the interaction between customer and service providing employees of the organisation.

Hennig-Thurau and Thurau (2004) found in their study that customer judges the quality of service by the behaviour of service employees. Crosby *et al.* (1990) defined the variables which influence relationship quality are attributes of the salesperson and relational selling behaviour. Attributes of a salesperson include expertise and similarity. Another research study regarding service quality in a restaurant found the technical, mechanic, and humanic clues are used to judge the service quality of a restaurant. Humanic clues are more important than technical and mechanic

clues. Humanic clues consist of the behaviour of service employees, including body language, quality of tone of voice, and degree enthusiasm (Keaveney, 1995; Mohr and Bitner, 1995). Lin and Lin (2011) found emotional competence in the service encounter, an important factor as customers look for employee behaviour to develop a perception about the service. Baker (1986) and Fowler *et al.* (2007) found social and human elements in a retail environment as a very important factor. Fowler *et al.* (2007) said the human dimension is the most important element in retail, if the service encounter is not of good quality, the customer will have a poor shopping experience.

Soderlund (2018) found that the proactivity of employees increased customer satisfaction. Various researchers have found qualities of sales employees in retail store including trustworthiness, competence, empathy, patience, enthusiasm, friendliness, and respect for customers, knowledge, and responsiveness to customer's needs (Darian *et al.*, 2001; Hawes *et al.*, 1993; Lee and Dubinsky, 2003). Sales associates should listen to customers' complaints, have adequate knowledge, offer internal expectation, compensate for consumers' complaints and address consumers' emotions in interaction situation (Clopton *et al.*, 2001; Krapfel, 1988; Menon and Dube, 2000; Sharma and Levy, 2003). Soderlund (2017) found a negative impact of employee burnout on customer satisfaction.

Gremler and Gwinner (2000) described rapport as the character of interaction between employees and customers. They found rapport establishes customer satisfaction, loyalty, and word of mouth. The rapport is a unique determinant in the success of a business relationship (Henke, 1995). Uncommonly attentive behaviour, common grounding behaviour, courteous behaviour, connecting behaviour, and information sharing behaviour are rapport building behaviour (Gremler and Gwinner, 2000). Customer orientation of service employees is defined as the extent to which the behaviour of

employees meets customer needs. It includes employees' technical, social skills, motivation, and decision making authority. Saxe and Weitz (1982) defined customer-oriented selling as the practice of marketing concepts at the level of individual salesperson and customers. However, Iglesias, Markovic, and Rialp (2019) claimed that if the empathy level of employees is low, customers would have a higher satisfaction level due to positive sensory brand experience. Davies and Chun (2012) found that the impact of the age of employees on customer satisfaction is negatively correlated, the higher is the average age of employees, and the less enterprising brand will be considered.

2.2 Customer Satisfaction

Satisfaction is considered an important and core concept in marketing (Erevelles, and Leavitt, 1992). Consumer satisfaction is a cognitive process, customer satisfaction includes a comparison of outcomes based on already existing expectations of customers (Hutcheson and Moutinho, 1998). A process-oriented definition of customer satisfaction involves expectancy disconfirmation (Oliver, and DeSarbo, 1988). As per their research consumers form expectations, which they compare with the performance of retail stores. If the expectation of customers is equal or more than the expectation of customers, there will be the satisfaction of the customers. Oliver (1997) defined satisfaction as a judgment that a product gives pleasure to consumers during the use of products. The transaction-based view says that customer satisfaction is an evaluation based on recent purchase experiences (Boulding *et al.*, 1993).

Many previous researchers have found a relationship between the performance of sales employees of retail stores and the satisfaction of the customers. Soderlund (2016) examined the influence of the presence of employees on customer effect and customer satisfaction. He concluded that the presence of employees boosts the pleasure and satisfaction of the customer.

Otterbring (2017) researched the effect of the smile by employees on customer satisfaction. It was found in his research that customers if greeted with a smile would be more pleased and would have higher satisfaction.

If the sales employees are friendly it will result in consumer satisfaction. Soderlund *et al.* (2017) conducted a research study to find out the impact of jokes used by retail store employees during face to face interaction with customers. This study concluded that the use of jokes reduced satisfaction of customers, jokes, related or unrelated to the message, have a negative impact on customer satisfaction.

Employees' expertise influences consumers' trust and may influence consumers' overall satisfaction (Sivadas and Baker-Prewitt, 2000; Theodoridis and Chatzipanagiotou, 2009). The positive feeling, consumer experience when interacting with friendly employees, will result in positive consumer satisfaction. Schiffman and Kanuk (2000) also gave importance to positive interaction between employees of retail stores and customers, in research they found that the expertise of salespeople will have an impact on customer satisfaction. Lucia-Palacios *et al.* (2020) studied the impact of frontline employees on customer satisfaction under different situations; they concluded that employees must be more competent when there is a crowd in the store. Employees are more important during a consultation in comparison to assistance. The employees of an organisation are very important for customer satisfaction (Zeithaml *et al.*, 1996).

Various research studies have shown that satisfaction helps in creating customer loyalty (Anderson and Srinivasan, 2003), enhances positive word of mouth (Bhattacharjee, 2001), and causes repurchase intention (Kim, 2012). Gremler and Gwinner (2000) found rapport between employees and customers of a retail outlet relates significantly to customer satisfaction and loyalty. Customer's assessment of employees' effort and service performance has been found to have a



strong effect on satisfaction and repeat purchase (Keaveney, 1995; Mohr and Bitner, 1995; Netemeyer *et al.*, 2010). Following Hypotheses was developed:

H1: Perceived performance of retail store sales employee has a positive impact on satisfaction with the retailer.

2.3 Planned purchase

Planned buying is a buying action with a problem having been previously recognised or a buying intention formed before going inside the store (Prion, 1993). Planned purchase is a process in which the buyer has decided to purchase a solution for any of the needs. A planned purchase includes careful deliberation on the part of the buyer.

It is a search for a product that is thoughtful. Planned purchase results in rational decisions (Halpern, 1989; Johnson-Laird, 1988). Planned purchase includes deciding the product to be bought and also deciding the retail store from where to buy these decided products. A consumer may decide both the factors or maybe only one factor is decided means a buyer has decided the product to be bought but not the retail store to buy this decided product.

Previous researchers have found two different strategies for searching for a product in a retail store, epistemic or hedonic search strategies. Both these strategies need the important role of retail store employees to be played (Weiman, 1983). In a retail store, a consumer is involved in browsing activity either to locate the desired product or for recreation. In this condition role of a retail store, the employee becomes very important in helping the customer to buy the planned product with satisfaction (Bloch *et al.*, 1989). Netemeyer *et al.* (2012) in their research study found that customer perceived employee similarity and customer identification relationship have a positive impact on customer spending in a retail store. Following Hypotheses was developed.

H2: Perceived performance of sales employees of the retail store has a positive impact on planned purchases by customers.

H3: Planned purchase by customer has positive impact on customer satisfaction with retailer.

2.4 Repeat purchase

While the initial purchase is the situation of buying a product from a retailer for the first time, repeat purchase intention means that chances are there that a customer will continue to buy the same product or related product from the same retail outlet (Davis, 1989). Repeat purchase is the individual's judgment about buying again the same service from the same company, considering the same environment. Repeat customers are those who have some experience with the retailer and products. Such customers are in a better position to comprehend the information related to retailers and products (Kim and Gupta, 2009). Repeat purchase has also been defined in terms of customer loyalty. Oliver (1997), for example, operationalizes action loyalty as repeat usage. Satisfaction with first purchase results in repeat purchases, which in turn may result in customer loyalty (Dick and Basu, 1994). Customer satisfaction has been found as a mediator between quality and repeat purchases. Garbarino and Johnson (1999) found satisfaction to be a key for occasional customers, while the trust was more important for consistent customers.

H4: Customer satisfaction with the retail store will have a positive impact on the repeat purchase intention of customers.

3. RESEARCH METHODOLOGY

This section mentions the research methodology used in this research paper. It includes a description of constructs and data analysis techniques. The sample size is 91; respondents are from different major cities of India. About 120 questionnaires were emailed, out of which 100 respondents replied; after a review, incomplete

questionnaires were not included, so the final 91 questionnaires were used for research data analysis. Respondents belonged to a varied set of demographics in terms of age, gender, income, education, and occupation. Respondents were chosen by using convenient and judgmental sampling.

3.1 Measurement

A structured questionnaire consisting of 18 items was used and modified based on previous studies. To measure the performance of employees, seven items were borrowed from Dabholkar *et al.* (1996). For customer satisfaction and repeat, purchase items were taken from Zboja and Voorhees (2006). For planned purchases items were developed using a literature review. A five-point Likert scale was used to measure all the items.

3.2 Statistical analysis techniques

The hypothesized model of this study was tested using the structural equation modelling (SEM) approach supported by AMOS 20 employing the maximum likelihood estimation method. Before using Structural equation modelling, Confirmatory Factor Analysis was also used which means the measurement model was tested before examining the structural model.

4. ANALYSIS AND RESULTS

4.1 Characteristics of sample

The demographic characteristics of the respondents are presented in Table 1, which shows diversity in terms of gender, age, monthly family income, occupation, and education. This sample has 77 % of male respondents and 23% of female respondents. Most respondents are in the age group of 20 years to 50 years, 19.8% of respondents are between 20 to 30 years, 54.9% of respondents are between 30 to 40 years, 18.7% of respondents are between 40 to 50 years.

Most of the respondents have high education with 94.5% being postgraduate and 5.5% being graduates. 82.4% of respondents are in service, 7.7% are in business and 9.9% are students.

Income wise respondents are equally divided into various income groups ranging from 25 thousand per month family income to more than 85 thousand per month.

Table 1: Characteristics of sample

		Gender			
		Fre- quency	Per- cent	Valid Percent	Cumulative Percent
Valid	Male	70	76.9	76.9	76.9
	Female	21	23.1	23.1	100.0
	Total	91	100.0	100.0	

		Age			
		Fre- quency	Per- cent	Valid Percent	Cumulative Percent
Valid	upto 20 years	2	2.2	2.2	2.2
	20 to 30 years	18	19.8	19.8	22.0
	30 to 40 years	50	54.9	54.9	76.9
	40 to 50 years	17	18.7	18.7	95.6
	50 to 60 years	1	1.1	1.1	96.7
	more than 60 years	3	3.3	3.3	100.0
	Total	91	100.0	100.0	

		Family Monthly Income			
		Fre- quency	Per- cent	Valid Percent	Cumulative Percent
Valid	upto 25 thousand	11	12.1	12.1	12.1
	25 to 40 thousand	21	23.1	23.1	35.2
	40 to 55 thousand	16	17.6	17.6	52.7
	55 to 70 thousand	20	22.0	22.0	74.7
	70 to 85 thousand	3	3.3	3.3	78.0
	More than 85 thousand	20	22.0	22.0	100.0
	Total	91	100.0	100.0	

		Qualification			
		Fre- quency	Per- cent	Valid Percent	Cumulative Percent
Valid	Post Graduation	86	94.5	94.5	94.5
	Graduation	5	5.5	5.5	100.0
	Total	91	100.0	100.0	



Occupation

		Fre- quency	Per- cent	Valid Percent	Cumulative Percent
Valid	Service	75	82.4	82.4	82.4
	Business	7	7.7	7.7	90.1
	Student	9	9.9	9.9	100.0
	Total	91	100.0	100.0	

4.2 Measurement of constructs

The table no. 2 given below shows the four

constructs and 19 items related to four constructs, Employee Performance (Interpersonal service quality) has 7 items, but during confirmatory factor analysis four items had to be deleted as they have loading lower than .60. Planned purchase has three items all were retained in CFA, Satisfaction with retailer has five items, one item was deleted during CFA, repeat purchase intentions has three items, one was deleted during CFA, as it had loading lower than 0.60.

Table 2: Total Constructs and items

Employee Performance			
1	SQ1	Employees in this store have the knowledge to answer customers' questions	Deleted
2	SQ2	The behaviour of employees in this store instils confidence in customers	Deleted
3	SQ3	Employees in this store give prompt service to customers	
4	SQ4	Employees in this store are never too busy to respond to customer's requests	Deleted
5	SQ5	Employees in this store tell customers exactly when services will be performed	Deleted
6	SQ6	Employees in this store are consistently courteous with customers	
7	SQ7	This store gives customers individual attention	
Planned Purchases			
8	PP11	I bought a product which i decided of purchasing before entering store	
9	PP12	I bought a product for the need which was recognised by me before entering the store	
10	PP13	I bought a product for which i already knew the need	
Satisfaction with the retailer			
11	SR19	I am satisfied with my decision to visit this retailer.	
12	SR20	My choice to visit this retailer was a wise one.	
13	SR21	I think that I did the right thing when I visited this retailer.	
14	SR22	I am not happy that I visited the retailer	Deleted
15	SR23	I truly enjoyed my visit to this retailer.	
Repeat purchase intentions			
16	RP24	I will buy this retailer's products again.	Deleted
17	RP25	I will do business with this retailer's in the future.	
18	RP26	I will do more business with retailers in the coming years.	

The table no. 3 shows the Cronbach's Alpha of items of a constructs. Employee performance (Interpersonal Service quality) has Cronbach's Alpha score 0.697, planned purchase has 0.748, satisfaction with retailer has 0.817, and repeat purchase intentions has 0.944. All these values are in acceptable level of Cronbach's Alpha.

Table 3: Reliability Scores

Employee Performance			Cronbach's Alpha
1	SQ3	Employees in this store give prompt service to customers	0.697
2	SQ6	Employees in this store are consistently courteous with customers	
3	SQ7	This store gives customers individual attention	
Planned Purchases			0.748
4	PP11	I bought a product which i decided of purchasing before entering store	
5	PP12	I bought a product for the need which was recognised by me before entering the store	
6	PP13	I bought a product for which i already knew the need	
Satisfaction with the retailer			0.817
7	SR19	I am satisfied with my decision to visit this retailer.	
8	SR20	My choice to visit this retailer was a wise one.	
9	SR21	I think that I did the right thing when I visited this retailer.	
10	SR23	I truly enjoyed my visit to this retailer.	
Repeat purchase intentions			0.944
11	RP25	I will do business with this retailer's in the future.	
12	RP26	I will do more business with retailer's in the coming years.	

4.3 The measurement model results

The goodness of fit of the measurement model was established by confirming the content validity and construct validity. To confirm the content validity, factor loadings can be used to ensure that all the items designed to measure a construct should load highly and significantly on the constructs they were designed to measure (Hair *et al.*, 2010). Figure 1 shows that all the items have significant loading on the constructs, they are related, and so the content validity of the measurement model is established. The convergent validity measures and explains the extent to which a set of indicators converges in measuring the concept of concern. (Hair *et al.*, 2010). The convergent validity can be confirmed using the item's reliability, internal consistency, composite reliability, and the average variance extracted.

Figure 1: Measurement model and CFA

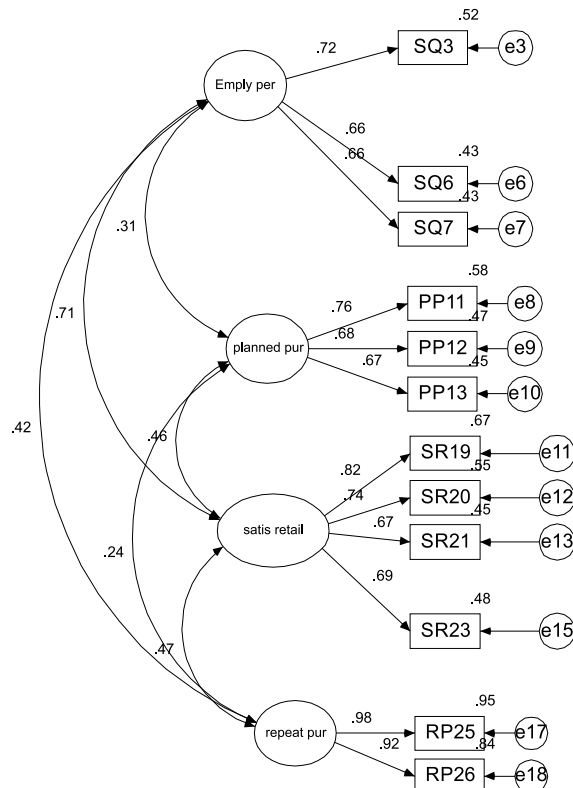


Table 4: Reliability and validity calculations

	CR	AVE	MSV	MaxR(H)	satis retail	Emply per	planned pur	repeat pur
satis retail	0.821	0.536	0.500	0.832	0.732			
Emply per	0.719	0.461	0.500	0.723	0.707	0.679		
planned pur	0.748	0.498	0.211	0.753	0.459	0.308	0.705	
repeat pur	0.947	0.899	0.223	0.963	0.472	0.419	0.238	0.948

Satfretai = Satisfaction with retailer, Emp per= Employee Performance, plan purc = planned purchase, rep purc = Repeat Purchase

4.4 Proposed model and hypothesis

According to the CFA results reported, the factor loadings for all items were significant and were more than the acceptable value of .60 (Hair *et al.*, 2010; Hulland, 1999; Truong and McColl, 2011).

The internal reliability of the scale items was analyzed by using Cronbach's Alpha values, in our research these values were found as mentioned for Interpersonal service quality is 0.697, for planned purchase is 0.748, for satisfaction with the retailer is 0.817 and for repeat purchase intention is 0.944. These values are above acceptable value 0.70 for Cronbach alpha (Nunnally, 1978). Its value is also dependent on the number of items a construct have, as there are few items in a construct, little less value is also acceptable.

Average Variance Extracted is used to find out the convergent validity. In this research study value of AVE ranged from 0.461 to 0.899, AVE value should be higher than 0.5, AVE for Satisfaction with the retailer is 0.536, AVE for Employee Performance is 0.461, AVE for planned Purchase is 0.498 and AVE for repeat purchase is 0.899, which is higher than 0.5. So, in this research AVE is less by 0.5 in case of Employee performance and AVE is less by 0.5 in case of a planned purchase. If AVE is less than 0.5, but the value of composite reliability is higher than 0.6, the value of AVE less than 0.5 is also acceptable (Fornell and Larcker, 1981). As the Value of CR, composite reliability is higher than 0.6, these values of AVE are acceptable.

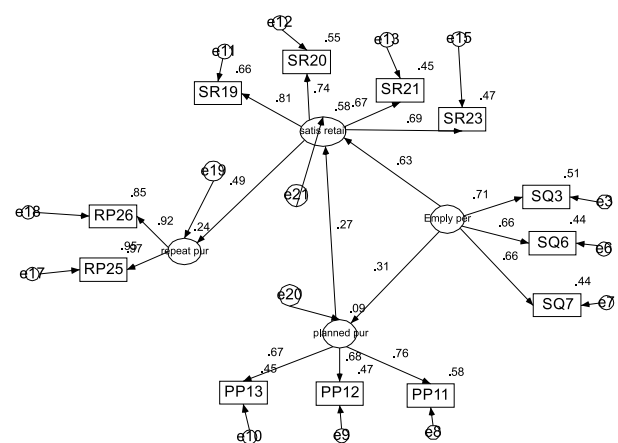
The above-given table no. 3 has been developed by using statistics package tools provided by Dr.

James Gaskin. This table has calculated values of CR, AVE, and MSV and it is concluded that there is no validity issue in our data set. So, we can say that there is no reliability and validity issue including discriminant validity.

4.5 Goodness of fit indicators and Structural model results

Having confirmed the validity and reliability of the measurement model, the next step was to test the hypotheses by running the structural equation model. Figure 2 shows the causal linkages and fit statistics for the structural model.

Figure 2: Structural model results



The overall goodness of fit of the model was acceptable when compared to the threshold values suggested in the SEM literature. The normed chi-square was 1.322 which is less than 3.0; the AGFI was 0.823, higher than the threshold value of 0.80; the NNFI (or TLI) was 0.962 and CFI was 0.96, higher than the 0.90; and RMSEA was 0.062, which is lower than 0.08. Hence, the model

has a good fit considering the threshold values suggested by Bagozzi and Yi (1988).

The standardised regression weights for employee performance on planned purchase is 0.31, for employee performance on satisfaction with the retailer is 0.62, for planned purchase to satisfaction with the retailer is 0.24, and for satisfaction with the retailer to repeat purchase intention is 0.80. The level of significance taken for this analysis was 0.05. Hence hypotheses developed in this research paper by literature review, H1, H2, H3 and H4 were supported by research analysis done in the study.

Table 5: Hypothesis testing results

S. N.	Hypothesis	Path coefficient	p-value	Decision
1.	H ₁ : Performance of employees has positive impact on planned purchase.	0.31	0.047	Supported
2.	H ₂ : Performance of employee has a positive impact on satisfaction with retailer.	0.62	0.000	Supported
3.	H ₃ : Satisfaction with the retailer has positive impact on repeat purchase intention.	0.80	0.00	Supported
4.	H ₄ : Planned purchase has positive impact on satisfaction with retailer.	0.24	0.036	Supported

5. DISCUSSION AND CONCLUSION

The organised retail industry is in the growing stage in India, organised brick and mortar retailers are facing competition from online retailers, mom and pop retailers, other organised offline retailers. These retailers are planning new strategies to survive and grow. Many researches are being conducted on various aspects of organised retailing in India. Performance of sales employees of organised brick and mortar retailers has not gained much attention in research fraternity. This research study was conducted to find out the impact of the quality of service being provided by front line retail sales employees, who interact for

selling products to the customers. The importance of this interaction was researched in this research study.

This research study found that customers give importance to the behaviour and service of retail sales employees. This study supports the research study by Baker (1986), Bitner *et al.*(1990), Fowler *et al.* (2007), Gronroos (1990); Gwinner *et al.* (1998), Soderlund (2018) and. Performance of retail stores sales employees has important positive impact on customer perception towards retail stores. The assistance of sales employees during a purchase process is important to customers. Interaction quality between customers and sales employees is a source of customer satisfaction. The satisfaction of the customer with the retailer has a positive and significant relationship with the satisfaction of the customer with the performance of their retail sales employees. It was also found that customers find the performance of sales employees important during their planned purchases from organised retailers. If sales employees are competent in their work, it will influence the satisfaction of customers. This finding is in support with Otterbring (2017), Sivadas and Baker-Prewitt(2000), Soderlund (2016), and Theodoridis and Chatzipanagiotou (2009). This satisfaction with the service quality of retail sales employees will result in satisfaction with the retailer. It was also found that this satisfaction of customers has a positive and significant relationship with the repeat purchase at the same retailer.

This research study has practical implications for marketing practitioners and academics also. Marketing professionals in the retail industry should give due importance to sales employees in organised retailing. Such employees should be adequately trained and equipped to serve the customer well. If service interaction quality between retail sales employees and customers is perceived satisfactory, sales volume in the retail store will also increase. Academic research should do further research on untouched variables.



REFERENCES

- Anderson, R. E. and Srinivasan, S. S. (2003), "E satisfaction and e loyalty: A contingency framework", *Psychology and Marketing*, Vol. 20 No. 2, pp. 123-138.
- Bagozzi, R. P. and Yi, Y. (1988), "On the evaluation of structural equation models", *Journal of the Academy of Marketing Science*, Vol. 16 No.1, pp. 74-94.
- Baker, J. (1986), "The role of the environment in marketing services: The consumer perspective", *The Services Challenge: Integrating for Competitive Advantage*, Vol.1 No.1, pp. 79-84.
- Bhattacharjee, A. (2001), "An empirical analysis of the antecedents of electronic commerce service continuance", *Decision Support Systems*, Vol.32 No. 2, pp. 201-214.
- Bitner, M. J., Booms, B. H. and Tetreault, M. S. (1990), "The service encounter: diagnosing favourable and unfavourable incidents", *Journal of Marketing*, Vol.32 No.1, pp. 71-84.
- Bloch, P. H., Ridgway, N. M. and Sherrell, D. L. (1989), "Extending the concept of shopping: An investigation of browsing activity", *Journal of the Academy of Marketing Science*, Vol.17 No.1, pp. 13-21.
- Boulding, W., Kalra, A., Staelin, R. and Zeithaml, V. A. (1993), "A dynamic process model of service quality: from expectations to behavioural intentions", *Journal of Marketing Research*, Vol.30. No.1, pp. 7-27.
- Clopton, S.W., Stoddard, J.E. and Clay, J.W. (2001), "Salesperson characteristics affecting consumer complaint responses", *Journal of Consumer Behaviour: An International Research Review*, Vol. 1 No. 2, pp. 124-139.
- Crosby, L. A., Evans, K. R. and Cowles, D. (1990), "Relationship quality in services selling: An interpersonal influence perspective", *Journal of Marketing*, Vol. 54 No.3, pp. 68-81
- Dabholkar, P. A., Shepherd, C. D. and Thorpe, D. I. (2000), "A comprehensive framework for service quality: an investigation of critical conceptual and measurement issues through a longitudinal study", *Journal of Retailing*, Vol. 76 No. 2, pp. 139-173.
- Dabholkar, P. A., Thorpe, D. I. and Rentz, J. O. (1996), "A measure of service quality for retail stores: scale development and validation", *Journal of the Academy of Marketing Science*, Vol. 24 No.1, p. 3.
- Darian, J. C., Tucci, L. A. and Wiman, A. R. (2001), "Perceived salesperson service attributes and retail patronage intentions", *International Journal of Retail and Distribution Management.*, Vol. 29 No.5, pp. 205-13.
- Davies, G. and Chun, R. (2012), "Employee as symbol: Stereotypical age effects on corporate brand associations", *European Journal of Marketing*, Vol.46 No. 5, pp. 663-683.
- Davis, F. D. (1989), "Perceived usefulness, perceived ease of use, and user acceptance of information technology", *MIS Quarterly*, Vol. 13, pp. 319-340.
- Dick, A. S. and Basu, K. (1994), "Customer loyalty: toward an integrated conceptual framework", *Journal of the Academy of Marketing Science*, Vol. 22 No. 2, pp. 99-113.
- Erevelles, S. and Leavitt, C. (1992), "A Comparison of Current Models of Consumer Satisfaction / Dissatisfaction", *Journal of Consumer Satisfaction /Dissatisfaction and Complaining Behaviour*, Vol. 5, pp. 104-114.
- Fornell, C. and Larcker, D. F. (1981), "Evaluating structural equation models with unobservable variables and measurement error", *Journal of Marketing Research*, Vol.18 No.1, pp. 39-50.
- Fowler, D. C., Wesley, S. C. and Vazquez, M. E. (2007), "Simpatico in store retailing: How immigrant Hispanic emic interpret US store atmospherics and interactions with sales associates", *Journal of Business Research*, Vol. 60 No.1, pp. 50-59.
- Garbarino, E. and Johnson, M. S. (1999), "The different roles of satisfaction, trust, and commitment in customer relationships", *Journal of marketing*, Vol. 63 No. 2, pp. 70-87.

- Gremler, D. D. and Gwinner, K. P. (2000), "Customer-employee rapport in service relationships", *Journal of Service Research*, Vol. 3 No.1, pp. 82-104.
- Gronroos, C. (1990), "Relationship approach to marketing in service contexts: The marketing and organisational behaviour interface", *Journal of Business Research*, Vol. 20 No.1, pp. 3-11.
- Gwinner, K. P., Gremler, D. D. and Bitner, M. J. (1998), "Relational benefits in services industries: the customer's perspective", *Journal of the Academy of Marketing Science*, Vol. 26 No. 2, pp. 101-114.
- Hair, J. F., Black, W. C., Babin, B. J. and Anderson, R. E. (2010), *Multivariate Data Analysis*, Pearson, 7th Edition, New York.
- Halpern, D. F. (1989), *Thought and Knowledge: An Introduction to Critical Thinking*, 2nd ed., Erlbaum Publishing, Hillsdale, NJ.
- Hanna, V., Backhouse, C. J. and Burns, N. D. (2004), "Linking employee behaviour to external customer satisfaction using quality function deployment", *Proceedings of the Institution of Mechanical Engineers, Part B: Journal of Engineering Manufacture*, Vol. 218 No. 9, pp. 1167-1177.
- Hawes, J. M., Rao, C. P. and Baker, T. L. (1993), "Retail salesperson attributes and the role of dependability in the selection of durable goods", *Journal of Personal Selling and Sales Management*, Vol. 13 No. 4, pp. 61-71.
- Henke, L. L. (1995), "A longitudinal analysis of the ad agency-client relationship", *Journal of Advertising Research*, Vol. 35 No. 2, pp. 24-30.
- Hennig-Thurau, T. (2004), "Customer orientation of service employees: Its impact on customer satisfaction, commitment, and retention", *International journal of service industry management*, Vol. 15 No. 5, pp. 460-478.
- Hulland, J. (1999), "Use of partial least squares (PLS) in strategic management research: A review of four recent studies", *Strategic Management Journal*, Vol. 20 No. 2, pp. 195-204.
- Hutcheson, G. D. and Moutinho, L. (1998), "Measuring preferred store satisfaction using consumer choice criteria as a mediating factor", *Journal of Marketing Management*, Vol. 14 No. 7, pp. 705-720.
- Iglesias, O., Markovic, S. and Rialp, J. (2019), "How does sensory brand experience influence brand equity? Considering the roles of customer satisfaction, customer affective commitment, and employee empathy", *Journal of Business Research*, Vol. 96, pp. 343-354.
- Johnson-Laird, P. N. (1988), "A taxonomy of thinking", Sternberg, R.J., E.E. Smith. (Eds.), *The Psychology of Human Thought*, Cambridge University Press, Cambridge, MA, pp. 429-457.
- Keaveney, S. M. (1995), "Customer switching behaviour in service industries: An exploratory study", *Journal of Marketing*, Vol. 59 No. 2, pp. 71-82.
- Kim, D. J. (2012), "An investigation of the effect of online consumer trust on expectation, satisfaction, and post-expectation", *Information Systems and E-Business Management*, Vol. 10 No. 2, pp. 219-240.
- Kim, H. W. and Gupta, S. (2009), "A comparison of purchase decision calculus between potential and repeat customers of an online store", *Decision Support Systems*, Vol. 47, pp. 477-487.
- Kotler, P. (1980), *Marketing Management: Analysis, Planning and Control*, Prentice-Hall, Inc., 4th Ed. Englewood Cliffs, NJ.
- Krapfel Jr, R. E. (1988), "Customer complaint and salesperson response: The effect of the communication source", *Journal of Retailing*, Vol.64 No. 2, pp. 181-198.
- Lee, S. and Dubinsky, A. (2003), "Influence of salesperson characteristics and customer emotion on retail dyadic relationships", *The International Review of Retail, Distribution and Consumer Research*, Vol.13 No. 2, pp. 21-36.
- Lehtinen, U. and Lehtinen, J. R. (1991), "Two approaches to service quality dimensions", *Service Industries Journal*, Vol. 11 No. 3, pp. 287-303.



- Lin, J. S. C. and Lin, C. Y. (2011), "What makes service employees and customers smile", *Journal of Service Management*, Vol. 22 No. 2, pp. 183-201.
- Lucia-Palacios, L., Pérez-López, R. and Polo-Redondo, Y. (2020), "How situational circumstances modify the effects of frontline employees' competences on customer satisfaction with the store", *Journal of Retailing and Consumer Services*, Vol. 52, p. 101905.
- Menon, K. and Dube, L. (2000), "Ensuring greater satisfaction by engineering salesperson response to customer emotions", *Journal of Retailing*, Vol. 76 No. 3, pp. 285-307.
- Mohr, L. A. and Bitner, M. J. (1995), "The role of employee effort in satisfaction with service transactions", *Journal of Business Research*, Vol. 32 No. 3, pp. 239-252.
- Netemeyer, R. G., Heilman, C. M. and Maxham III, J. G. (2012), "Identification with the retail organisation and customer-perceived employee similarity: Effects on customer spending", *Journal of Applied Psychology*, Vol. 97 No. 5, p. 1049.
- Netemeyer, R. G., Maxham III, J. G. and Lichtenstein, D. R. (2010), "Store manager performance and satisfaction: Effects on store employee performance and satisfaction, store customer satisfaction, and store customer spending growth", *Journal of Applied Psychology*, Vol. 95 No. 3, p. 530.
- Nunnally, J. C. (1978), *Psychometric Theory*, McGraw-Hill, New York.
- Oliver, R. L. (1997), *Satisfaction: A Behavioural Perspective on the Consumer*, McGraw-Hill, New York, NY.
- Oliver, R. L. and DeSarbo, W. S. (1988), "Response determinants in satisfaction judgments", *Journal of Consumer Research*, Vol. 14 No.4, pp. 495-507.
- Otterbring, T. (2017), "Smile for a while: the effect of employee-displayed smiling on customer affect and satisfaction", *Journal of Service Management*.
- Parasuraman, A., Zeithaml, V. A. and Berry, L. L. (1988), "Servqual: A multiple-item scale for measuring consumer perception", *Journal of Retailing*, Vol. 64 No.1, p. 12.
- Piron, F. (1993), "A comparison of emotional reactions experienced by planned, unplanned and impulse purchasers", *ACR North American Advances*.
- Saxe, R. and Weitz, B. A. (1982), "The SOCO scale: A measure of the customer orientation of salespeople", *Journal of Marketing Research*, Vol. 19 No. 3, pp. 343-351.
- Schiffman, L. G. and Kanuk, L. L. (2000), *Consumer Behaviour*, 7th ed., Prentice-Hall Inc., Upper Saddle River, NJ.
- Sharma, A. and Levy, M. (2003), "Salespeople's affect toward customers: Why should it be important for retailers?", *Journal of Business Research*, Vol. 56 No. 7, pp. 523-528.
- Sivadas, E. and Baker Prewitt, J. L. (2000), "An examination of the relationship between service quality, customer satisfaction, and store loyalty", *International Journal of Retail and Distribution Management*, Vol. 28 No. 2, pp. 73-82.
- Soderlund, M. (2016), "Employee mere presence and its impact on customer satisfaction", *Psychology and Marketing*, Vol. 33 No.6, pp. 449-464.
- Soderlund, M. (2017), "Employee display of burnout in the service encounter and its impact on customer satisfaction", *Journal of Retailing and Consumer Services*, Vol. 37, pp. 168-176
- Soderlund, M. (2018), "The proactive employee on the floor of the store and the impact on customer satisfaction", *Journal of Retailing and Consumer Services*, Vol.43, pp. 46-53
- Soderlund, M., Oikarinen, E. L. and Heikka, E. L. (2017), "Jokes in the store and its effects on customer satisfaction", *The International Review of Retail, Distribution and Consumer Research*, Vol. 27 No. 3, pp. 260-283.

- Theodoridis, P. K. and Chatzipanagiotou, K. C. (2009), "Store image attributes and customer satisfaction across different customer profiles within the supermarket sector in Greece", *European Journal of Marketing*, Vol. 43 No.5/6, pp. 708-734.
- Truong, Y. and McColl, R. (2011), "Intrinsic motivations, self-esteem, and luxury goods consumption", *Journal of Retailing and Consumer Services*, Vol. 18 No. 6, pp. 555-561.
- Weiman, G. (1983), "Improving way finding and architectural legibility in housing for the elderly", Regnier, V., J. Pynoos. (Eds.). *Housing the Aged: Design Directives and Policy Consideration*, Elsevier, New York, pp. 441-464.
- Zboja, J. J. and Voorhees, C. M. (2006), "The impact of brand trust and satisfaction on retailer repurchase intentions", *Journal of Services Marketing*, Vol. 20 No. 5, pp. 381-390.
- Zeithaml, V. A., Berry, L. L. and Parasuraman, A. (1996), "The behavioural consequences of service quality", *Journal of Marketing*, Vol. 60 No. 2, pp. 31-46.



India's Economic Growth and the Covid 19 Pandemic

Dr. Rajeev Johari*

ABSTRACT

This paper reviews covid 19 outbreak from a wider perspective for India's economic growth reflecting on global response since inception of the crisis to its present state. The government's offering of financial restructuring packages to firms requires supplementation by their own efforts to adapt business patterns to changing times. The business model of "reform to transform to perform" needs to be resorted to be it transformation of business, strategy, product, delivery or technology to ascertain best outputs and staying resilient. Exploring the practical fruitfulness of 'Make in India' and 'Atmanirbhar India' calls, the paper stresses on pushing India's exports as next stage of pushing domestic manufacturing. Regulations that are favorable to business, labor code that is not complex, breaks in tax, easy land availability are steps which need to be firmly put into place so as to achieve India's manufacturing competitiveness against other probable destination countries for foreign giant investors. Making the economy rise again requires a multi pronged approach with intelligent measures on the part of government.

Key words: 'Make in India'; 'AtmaNirbhar India'; Free Trade Agreements; Global Value Chains; Global Financial Crisis.

INTRODUCTION

The covid-19 strain of corona virus outbreak since the beginning of the year 2020 has posed a grave threat to the global economy and financial markets compelling global institutions and banks to shift to decreased forecasts for the global economy. Its projected fears on world economy influencing markets worldwide, lead to decrease in prices of stock and bond yields overall casting a shadow on confidence of investors. Risk taking dwindled in financial markets with equity and commodity prices facing huge reductions. Global risk aversion caused outflow of portfolio capital with bearing on stock market. China had been exercising an influence on developing economies through trade and investment with Made in China mark in items like electronic device, household product and durable items. Since China historically had a considerable role in global output, trade, tourism and commodity markets, economic shocks in China were bound to cause a ripple effect on other nations raising challenges for output and demand recovery for global

economic growth. As an initial response, central banks in many countries cut interest rates so as to render borrowing cheap and thus foster spending. India cut its interest rates on small savings schemes by up to 1.4 percentage points for first quarter of 2020-21. The March 27 feed of US India Strategic Partnership Forum quoted RBI Governor, Shaktikanta Das who "addressed the media, announcing measures to safeguard the Indian economy from the impact of the pandemic by way of: Expanding liquidity in the system to ensure that financial markets and institutions are able to function normally in the face of COVID-related dislocations; Reinforcing monetary transmission so that bank credit flows on easier terms are sustained to those who have been affected by the pandemic; Easing financial stress caused by COVID-19 disruptions by relaxing repayment pressures and improving access to working capital; and Improving the functioning of markets in view of the high volatility experienced with the onset and spread of the pandemic".

* Associate Professor, Management, ITS, Ghaziabad. rajeevjohari@its.edu.in Mob: 9811005134

Uncertainty reflected in big firms owing to retreat of foreign portfolio investors. India's supply response both domestic and export was likely to be impacted by shortages of intermediate inputs, poor logistics and transportation facilities. Global watchdog OECD in a recent development brought India's growth forecast down expecting it to contract 10.2% in FY21 as against its earlier forecast of 3.7 to 7.3%. For world economy it observed that "global economy is not doing as bad as previously expected and may see a 4.5% fall". The Covid 19 pandemic has hovered over almost everything under the sun ranging from public health to global economy literally bringing economic powerhouses to a state of motionlessness. This paper touches upon the covid 19 crisis with specific reference to India from wider perspective of globalization since the inception of the problem to its present state.

Immediate Interim Response of India for Trade:

India irrevocably had one of the worst trade impact due to corona virus epidemic induced production slow down in China towards which it undertook certain need and time based stop gap measures like asking the nations with which it held free trade agreements FTA's to permit imports of goods lacking origin certificate till the domestic authorities were in a position of issuing the same after the covid lockdown lifting. The government permitted the issue of origin certificates in retrospect for exports that were eligible as per different trade agreements of India with other nations due to temporary closure of offices causing inability in issuing certificate of origin. India's trade agreements were with ASEAN and countries like South Korea, Singapore, Malaysia, Thailand, Sri Lanka and Japan. Indian government also extended by six more months its prevailing foreign trade policy (2015-20) to 03.09.20.

Bankruptcy of firms amid crisis: Firms play a major role in boosting the country's economy with investment, creating employment opportunities and producing output for the survival of society

that is ideally sustainable. Firms have a pivotal part in the globalization process of any economy where their decisions on global activities through trade meaning exports and imports and participation in global value chains, foreign investment hold relevance. Some firms exit owing to business failures while others for reasons of policy lacunae. Only firms that survive and remain functional are relevant from the perspective of economy's growth and development, employment generation aspects and investment rise. India has featured a lack of effective mechanism towards countering the insolvency problem of firms in financial distress. "For many years the insolvency resolution landscape was a complex and fragmented one where it was difficult to resolve the insolvent firms or shut down the bankrupt ones in a quick and efficient manner" write Sengupta, Sharma & Thomas (2017). A large number of firms constituted an element for economy with no significant contribution to the total economic landscape. Despite failure of their business models dormant firms could not exit the market. In India there had been no change in policy measures after 1991 to revive business operations. There was a dire need for change in policies framework in consonance with time to time market demands which were addressed through Insolvency and Bankruptcy Code, IBC that was enacted in 2016. The IBC proceedings resulted in recovery of 42.5% of the amount involved and a total of 2911 cases were registered with the manufacturing sector filing the maximum number of cases for recovery followed by real estate and construction sector. From the perspective of covid crisis, uncertainty in creditors of troubled service sector businesses especially the micro, small and medium ones have aggravated their woes. Viability of firms in times of crisis points at the need for strategic reforms.

China's Threats as Opportunities for others and India: There is no doubt that India is facing a lot of challenges and obstacles in managing its economy in the current lull of covid-19 given the dismal statistics portraying abysmal downfall. This



may be the global scene as well but India with its enormity of population is in a much more precarious state than others. Nevertheless, India is also dealing with new opportunities to do business in the manufacturing and services sector subsequent to changing dynamics in world business policy due to the anti-China syndrome reverberating in the world. Every crisis begets opportunities provided appropriate reforms are put in place. The Balance of Payments crisis of India was the principal factor forcing the reforms that followed in the year 1991. The current covid crisis and the accompanying change in geostrategic equations without question offer India immense potential to augment its manufacturing sector and uplift its downswing economy when supplemented with requisite reforms.

With obvious changes in economics of globalization, rising discontentment against China and chorus anti China sentiments, it is just the right time for India to capitalize on the changing dynamics. Goods made in China and raw materials based in China had so far dominated the world trade scene and countries till the aftermath of covid began reflecting on their China related pacts. India too for example revised its FDI policy with view to contain opportunistic takeovers of Indian companies lest China took such steps. The TOI reported that "Alibaba's Ant Group was reconsidering its follow on investment in Zomato because of recent changes related to FDI rules". China has already invested in many of the known Indian industry names. Given the position China occupied in pre covid times of the world's factory, disruption of supply chains in China were bound to disrupt supply chains across the globe. Production and distribution networks have obviously gone haywire with increasing trade related discords and world's disengagement with China over the laxity and callousness with which it treated covid allowing for the China confined epidemic to translate into a global pandemic.

The slow rising tensions between US and China

served to speed up the strategic plans of global players towards diversifying manufacturing bases away from China in order to keep supply chain disruptions minimized. Large players in Asia too followed a lead and announced incentives were attracting manufacturers to move production out of China. Since the trade war between the US and China was expected to disrupt the supply chain, it was obvious that US for low cost production would explore the option of shifting its base to nations like Bangladesh, Thailand, Philippines etc. The same was expected of major players worldwide which in pre covid times were drawn to China due to its production efficiency and lower costs. Firms of South Korea and Japan showed their inclination of shifting to countries like Vietnam, Thailand, India while Bangladesh, Vietnam and Indonesia losing no time began tapping the manufacturing hub opportunity falling in their basket.

As reported in Business Standard some "100 US firms are expected to shift base to Uttar Pradesh from China. Some like UPS and Fredix evinced interest of investing in Jewar airport in the state through logistic centres". The state with its large number of MSMEs and skilled labor may prove to be of great promise for the nation's economy. The healthy footwear company based in Germany Von Wellx announced the "shifting of its production unit from China to India with an initial investment of Rs 110 Crore. A new manufacturing unit is proposed in Uttar Pradesh through collaboration with Latric Industries as part of an understanding with the state government" reported the Business Standard (2020). Some companies have their manufacturing units already set while others have resorted to subcontracting their manufacturing with companies operating in India for electronics manufacturing services. "Apple plans to produce up to \$40 billion worth of smart phones in India and migrate about a fifth of its production capacity from China for benefitting from the new production linked incentives scheme that provides 4-6% incentive for local production. Lava International also

intends to transfer its production and design centre for the export market from China to India”, reported the Business Standard.

Actual faring of India vis-a-vis the opportunity:

India's economy that is growing and its middle class population offer a sale arena of promise. India's huge magnitude of labor provides just the apt base for bulk manufacturing, assembling and processing of products. In opinion of experts its eastern coast adds to its strengths given its location that is best suited for connecting with Asia Pacific markets implying optimization of supply chains and minimization of transportation expenses. India with its vast road and rail infrastructure can also be at an advantage for transportation. Further India's transparency and observance of rules in international order too adds to its advantage. Its thrust on meeting supplier obligations ensures predictability and fair trade for the global business community. India was thus optimistic that it could slowly and steadily serve as another manufacturing and sourcing hub to the nations of the world on the lookout for the same. The opportunities thrown open to India amid the global changes were projected to find their rightful place in its ambitious “Make in India” manufacturing design initiated in 2014 to give an altogether new dimension and magnitude to India's manufacturing potential and seating itself at a prominent position globally. India's shift from agrarian to a service economy in the 1990's ignored the manufacturing sector with China gradually occupying the space of world factory. The Make in India initiative following the covid crisis was directed towards invading the niche created by China by projecting India as an alternate manufacturing destination to China. But it is only obvious that the Make in India in covid opportunity suffered policy issues given the fact that Vietnam and Bangladesh have had the edge over India in terms of tapping the new manufacturing opportunities arising due to rising manufacturing costs in China.

Going beyond manufacturing to wider export base: The recently launched Atmanirbhar Bharat

campaign by the government, the motto of which being ‘build local to go global’ is a call to build an India that is self reliant, can supplement its disrupted operations by encouraging manufacturing on the lines of Make in India, fostering imports goods substitution and cost effective local production. The self reliance move however is not in any way to undermine globalization. Supporting the call, the Government of India made an announcement of Rs. 2000000 crore package as stimulus that centred around breaks in tax for businesses small in size and incentives to domestic level manufacturing. The Rs.300000 crores assistance collateral free in nature offered to Micro and Small Enterprises should prove beneficial for operation of MSME's. In alignment of “local to global”, Commerce and Industry Minister Piyush Goyal very recently echoed the governments stand “We will soon be unveiling a programme wherein every district is a country focusing all its energies to expand the outreach of their special product not only to the length and breadth of India but to the entire world,” as reported by News (2020). Times of India reported “The customs department will be keeping a close eye on imports of items such as mobiles, white goods, set top boxes, agarbattis, cameras and other electronic products under a new verification mechanism that kicks in from September 21 to unplug misuse of free trade agreements (FTA's)”. This would encourage the domestic industry under threat owing to FTA gaps and was constantly requesting the government to review the existing FTA's to end misuse of undue claims of benefits or evasion of customs duty on imports.

Huge opportunity is projected when India takes the shape of the additional export ground instead of being content just as a producer for the domestic market. Economic Times covered the strategy document by Indian Cellular and Electronics Association, ICEA “India has an unprecedented opportunity to establish itself as an alternative destination for mobile phone manufacturing and become an export hub as



global giants look at de-risking manufacturing from China in the post-COVID-19 era”. The document outlines a three pronged ‘Restart, Restore, Resurgence’ approach towards aiding India attain 100 billion USD exports with respect to mobiles and almost 40 billion USD with respect to components till the year 2025. China although even now rules the export scene in global market through its almost 70% share, when our country stands at 15%. Vietnam is evolving as a big player with about 10% of exports in phone and setting up of facilities by Samsung. The ICEA document maintained “five companies (Samsung, Apple, Huawei, Oppo and Vivo), which account for over 80 per cent of the mobile phone revenues, globally are already present in India. While they have started assembly in India to primarily serve the domestic market, assembling of mobile phones continues to be centred in China and Vietnam. However, these brands are keen and capable to provide India with global market access. Some of these global brands have begun smartphone exports from India since 2018. They await policy certainty to increase global supply from India.”

Ministry of Electronics and Information Technology’s recently notified schemes more than Rs 48,000 crore towards promoting manufacturing in electronics which is aimed at making India a better alternative for production. The government’s thrust on manufacturing of mobile phones via Production linked incentive scheme, the Scheme of Modified Electronics Manufacturing Clusters Promotion of Manufacturing of Electronic Components and Semiconductors Scheme is a step in the direction. Nevertheless India ought to raise its competitiveness as against China and Vietnam which fare well on vital elements like power costs, taxes and ease of doing business. According to Times of India “the country’s exports contracted for the sixth consecutive month in August, dragged down by a decline in shipments of petroleum, leather, engineering goods, and gems & jewellery, while imports

tumbled by 26% during the month. But data for September indicated a turnaround with exports registering a double digit increase during the first half of the month”. The picture is thus not all that dismal for endorsing domestic manufacturing with larger goal of augmenting exports. RBI Governor calling for a policy focus on prioritizing export strategy confirmed “In the years that followed there had been rising protectionism and weak global demand. Not with standing these impediments, and also the significant decline in trade intensity of the world GDP growth post global financial crisis (GFC), opportunities for expanding exports arise from the vastly altered global landscape for trade where more than two thirds of world trade occur through global value chains (GVC’s)” reported the TOI.

Sectors with better scope for recovery and self reliance: As opined by most economics experts, foreign investment in India requires to be drawn in sectors with solid supply chains like pharmaceuticals, mobiles, machinery and similar sectors which run on a strong network of small and medium enterprises. Success in these promising sectors can set the tone for extension of large scale manufacturing investments to other sectors as well. There is immense scope with automobile manufacturing and real estate since they involve many secondary industries linked to them. Some even highlight the promise in promoting the manufacture of textiles, chemicals and fertilizers. Food processing has in pre covid times proved to be a growth and profit inducing sector having found a prominent position in ‘Make in India’ campaign. Under the banner of Atmanirbhar scheme, the government announced a host of incentives meant for agriculture and its allied sector towards facilitating building of infrastructure of post harvest management as well as cold chains. Given perceived associated health risks of agriculture related businesses and edible items from China, India again can be at an advantage.

The pharmaceutical sector being non self reliant depends for bulk drugs to the tune of 60-70% on

China. Towards decreasing dependence on imports of Active Pharmaceutical Ingredients' API's of antibiotics and other drugs, the government announced bulk drugs promotion schemes for Rs. 3000 crore spanning across five years towards decreasing costs in bulk drugs manufacturing in the country as well as dependence of the same on other nations. It also announced PLI scheme for fostering domestic manufacturing of key starting materials, API's and drug intermediates. Satish Reddy, President of Indian Pharmaceutical Alliance in an interview to TOI says "if there is lower cost access to capital it will help. We asked for infrastructure investment from the government. An industrial park which involves land and utilities such as a common effluent treatment plant will be attractive in terms of companies wanting to invest and build on a scale. This can ensure the restoration of supply chain disruption". Low cost inputs and tackling of problems arising in clearances can make API self reliant meeting the Atma Nirbhar goal. Arvind Panagariya (2020) emphasizes that "India can create jobs by replacing China as a hub of light manufactures. The covid lull offers India an excellent window of opportunity to implement reforms that would help it maximize the benefit of reopening of export markets post covid 19. India's factor markets- capital, labour and land still remain major constraints on economic activity, especially as they apply to medium and large enterprises whose emergence on a substantial scale is essential to the capture of world markets in light manufactures".

Dynamic reforms as charger: Introducing structural reforms implying strong labour, as well as land reforms, is needed which can hold investors. Direct tax benefit in Special Economic Zones SEZs, reforms in bankruptcy ways need to be looked at. Liberalization in labour market regulations in a formal economy should provide for businesses to include workers from the vast informal labour base, which in turn could enhance the country's productivity. "India needs foreign investors- corporate that bring capital, technology

and markets with Greenfield projects as well as private equity that funds Capex for existing and startup Indian companies- now more than ever", writes Sloan (2020). "Our best bet would be to support SME's as debt laden large companies would be more interested in paying down debts, postponing Capex and cutting jobs to protect their margins and avoid punishment by stock markets" according to Singh (2020). As of now "Small exporters most of whom survive on as low as 3-4% operating margins, are shamelessly being exploited by banks that extracts as much as 2 – 3% of export earnings as currency conversion charges assert Singh (2020). The Central Bank requires to address these pressing issues.

There is a need to review reforms that may have proved static. The lowering of corporate tax rates with the Make in India campaign has not produced results as expected in foreign investment. Reforms in business process targeted at promoting ease of doing business or fostering business friendly regimes has handled only permissions and approvals for industries hinting at major policy changes in other pressing matters. Regulations that are favourable to business, labour code that is not complex, break-in tax, easy land availability is steps which need to be firmly put into place for achieving manufacturing competitiveness like other probable destinations like Vietnam, Bangladesh, Myanmar, Malaysia, Thailand etc. Measures of government like reclassification of MSME's allowing for broader categorization in the segment, agricultural market reforms allowing farmers to sell their produce into more markets in the country are a healthy step.

India of late met a setback with respect to foreign investment over tax rates. As reported by Times of India "Japanese auto major Toyota is suspending plans to launch new cars in India and is also putting a halt to fresh factory investments as it blames prohibitory taxes on vehicles for depressing consumer demand, leaving automakers with high costs and unutilized and idle capacities. The tax rates have blunted the ease of doing business in India". Volkswagen too had



some time back talked about challenges of doing business in India complaining that clearances in India are fast for initial investments, a business gets difficult thereafter and expresses the ease of doing business to be expanded to day to day running of companies. India is moving ahead with its trade diplomacy extension endeavours, and its diplomatic machinery is continuously engaged with its negotiation skills, yet holes remain to be plugged. Wooing foreign investors need to be adequately supplemented with a perennial business-friendly regime at all levels. Indian government's disengagement with Regional Comprehensive Economic Partnership RCEP negotiations in the period immediately preceding covid outbreak could play a negative role for investor sentiments. RCEP, a proposed free trade pact primarily involving South and Southeast Asian nations, has adversely influenced India's manufacturing and agricultural sectors. The withdrawal, however, could also serve to make Indian goods less competitive in the global market.

Thrust areas for government and firms: Working on expanding India's industry infrastructural landscape is required if it wishes to dethrone china rich in its industrial infrastructure. A rural market economy that has mostly been ignored needs to be focused upon since it offers ample scope for economy boost in manufacturing and service sector displacing its tag of agrarian economy. Setting up of pharmaceutical plants, textile mills, retail market clusters for FMCG, arms manufacturing units in rural pockets can boost economy and ascertain growth and development of people in rural areas restricting migration to some extent through its employment potential subject to government support for basic requirements of infrastructure, land availability etc. Setting up fertilizer plants, irrigation equipment manufacturing in rural areas can facilitate localized distribution channels to ease of rural consumers and increasing consumer bases. Cost of investment in terms of labour, raw

material and establishment costs would be much lesser as compared to urban areas. Low cost will bring higher rate of return and more productivity in short run. A fair regulatory framework not distinguishing among domestic investors and foreign investors is needed. Irrespective of the hype on nationalism, the merits of foreign investors cannot be ignored. Also tax rates for foreign investors require an optimal formulation so as to sustain demand of manufactured product given the rising vocal expression of displeasure.

The government's measures aimed at supporting firms in acute stress were a welcome step which covered non-bank financial institutions NBFIs, power distribution companies and MSME's. The government also proposed credit and liquidity support to such enterprises. Firms can avail the benefits of latest changes in extended manufacturing policy of 2015 like those related to FDI and FII for sector specific returns. However, the government's offering of financial restructuring packages to firms for survival requires to be supplemented by their own efforts to adapt and adjust their business patterns to the changing times. The application of Keynes adjustment model can be explored to enhance their efficiency and survival. Industries relying on manual mode need to shift to digital technologies to increase their long term survival. Firms, in order to avail the best from the opportunity of world's weaning from China, need to adopt changes in their strategies and standards. The business model of reform to transform to perform requires to be resorted to be it transformation of business, strategy, product, delivery or technology to ascertain best outputs and staying resilient. From supply chain perspective the model of Localization, Vocalization and Globalization, LVG that has replaced the Liberalization, Privatization and Globalization, LPG of 1991, can be beneficial for firms and economy. Under localization Indian products manufacturing is being encouraged. Vocalization pertains to market capturing abilities viz. advertizing, promotion techniques.

Globalization stands for entry of domestic goods into global market. Diversification of supply chain and localization of some of their supply chains can be of help to firms.

Conclusion: China owes its success to time adherence, efficient supply chain framework which has been disrupted due to covid 19 contagion making its ripples felt the world over. According to optimistic opinion makers, the global economy can recover the downswing by end of 2020 as constraints in supply simplify and demand sees a revival. In terms of its supply capacity, China has an edge so some also fear that its recovery rate being faster, it may steadily once again occupy its lost empire. If it sticks to lesser prices for its products and is again able to produce in bulk, it can carry on with its seller position in global market. Though it is a bit premature to predict but the probability is not that low.

A review of the contents of the paper point that handling of the financial crisis and making economy rise again calls for multi pronged approach with intelligent measures on part of the government. Financial support to cure SMEs of their morbidity state is crucial. Pushing India's exports as the next stage of moving domestic manufacturing is vital for rejuvenating the economy. Honing up exports of both goods and services is required. India needs competitiveness both at cost and scale levels. Bold reforms and steps have already been spearheaded by the government as response to addressing financial crisis viz. single registration form, valid life license requiring no annual renewal for the project. Easing of compliance burdens for small or micro enterprises has been focused upon. The Goods and Service Tax, GST related technical issues require to be eliminated on a war footing. The process has begun like doing away with multiple registers and returns for industries to only one self-certified return. This is essential since foreign firms would prefer consistent labour law policy

framework to be in place before making an investment decision. India's rigid labour market regulations have only kept big investments, productivity, and absorption of technology at bay and have not helped its manufacturing. As an encouraging move, labour market reforms required in all states have discarded outdated acts. Work has already begun in land acquisition reforms. Only time can say how much of state's efforts reap benefits for foreign investment, incentivizing global supply chains to migrate to India. The gap between announcement and implementation of schemes requires bridging with gravity.

In the final analysis it can be stated that supportive macroeconomic policies can help restore confidence and aid demand recovery as the contagion fades. RBI Governor made a hopeful comment on India's latest economic status as reported in TOI "High frequency indicators of agricultural activity, the purchasing manager's index and certain private estimates on unemployment point to some stabilization of economic activity in the second quarter of the current year". This is echoed in latest observation of CII "It is heartening to note the recovery in CII's Business Confidence Index for the July-September quarter that indicates an improvement in business conditions during the period. However, while a recovery is under way, it could be tremendously expedited through continued government support and handholding of businesses during this crisis," as stated by its director general. The paper ends on an optimistic note that Indian economy will bounce back soon and also will take China's position in global manufacturing and supply chains with its practical measures to mitigate adverse impacts, filling gaps and positive initiatives for making best of the situation even as there are grey areas left to be brushed.



REFERENCES:

- Sengupta, Sharma and Thomas (2017). Sengupta, R, A Sharma and S Thomas (2017), 'Evolution of the insolvency framework for non-financial firms in India', India Development Report. IGIDR: Mumbai.
- RBI guv dashes hopes of V shaped eco recovery (2020). *The Times of India*. September 17 pg. 19.
- Toyota nixes new car, factory plans. (2020). *The Times of India*. September 16. Pg.1 & 19.
- Singh R.K (2020). Eight Steps to Revive economy. *The Times of India*. June 9. Pg. 10
- API Package has led to some hope interview *Times of India* June 5. Pg. 16
- Panagariya (2020). Reforms in a Covid Era. *The Times of India*. May 27. Pg .10.
- Sloan D.M (2020) Leveraging the Covid Crisis. *The Times of India*. April 24. Pg.10.
- Trade Impact of Corona Virus. (2020). available <https://www.thehindubusinessline.com/economy/trade-impact-of-coronavirus-for-india-estimated-at-348-mn-un-report/article30988253.ece> .
- German Footwear Maker to Shift Production to Uttar Pradesh from China (2020). Available https://www.business-standard.com/article/pti-stories/german-footwear-maker-to-shift-production-to-india-from-china-120051900850_1.html.
- One product, one district (2020). Available <https://www.goldnewspaper.com/tag/manufacturing/>
- India has unprecedented opportunity to be phone export hub. available <https://economictimes.indiatimes.com/tech/hardware/india-has-unprecedented-opportunity-to-be-phone-export-hub-in-post-covid-19-era-icea-ey/article-show/76322351.cms>
- OECD Economic Outlook. available <http://www.oecd.org/economic-outlook/#gdp-projections>
- Alert March 27 India corona virus update available <https://usispf.org/alert-march-27-india-coronavirus-update/>
- India Inc's biz sentiment has recovered: CII survey available <https://www.business-standard.com/>

Participation of Women in Decision Making and Proprietorship Primarily in Microfinance Institutions

Dr. Santosh Kumar Panigrahi*

ABSTRACT

The present study is based on the participation of female group in choice-making and proprietorship of assets on microfinance institutions (MFIs). The research work based on survey of the involvement of women in choice based and proprietorship of 303 male and female groups (178 members of MFIs and 125 non-members). The research conducted at the city of Berhampur which is popularly known as 'silk city' in South Odisha. A questionnaire was equipped for data collection and tested for consistency. The analysis is done based on taking the incidence measures to assess the participation of women in verdict making and having proprietorship of assets. In order to find out consequences of this reading delegate that woman participants of Microfinance institutions considerably affect additional proprietorship of assets. This is ascertained that microfinance has a significant positive impact on ownership of assets and involvement in choice making.

Keywords: Women empowerment, Decision making, Assets ownership, Women MFIs Members

I. INTRODUCTION

The present study procedures the collision of microfinance on member and member who is not associated with micro-finance institutions. The present study states about that woman, mainly not participated in any type of credit based on microfinance under the principle of entrepreneurship is least concerned in choice making and proprietorship of assets in contrast with microfinance member woman. Microfinance Institutions (MFIs) are operational throughout the world to eradicate poverty and are acknowledged for the successful organizations for deficit improvement and to make powerful the women comprising 75 percent of the deprived inhabitants consisting of female groups. (Bhattacharya *et al.*, 2014). The research scholars have also acknowledged numerous female groups and their significant contribution in choice making and proprietorship of assets (Dimova, and Gang, 2016).

The objective of the present research paper is to determine the contact of Microfinance institutions on female groups and to find out their choice

making and proprietorship. The findings of this study obviously fulfil this objective. Around the globe is overflowing by means of many types of indifference among the people; community are consist of classes, races, genders, and ethnicities.

It is usually established that women empowerment absolutely affects economic growth; the subject is to make work opportunity for women. Regrettably, poor women have no or minimum decision-making power in family matters, even though women are necessary to do family circle household tasks and supervise habitat behaviour. The Microfinance Institutions (MFIs) have played an important position in empowerment women, so they become a helpful element of nation and people. They also provide micro-credit to a female group in order to please to the eye their role in the public and get empowerment. Most of the MFIs for providing credit for the better system of female group to set up their ventures and also assisting give necessary right of access of microcredit (Ganle, Afriyie, & Segbefia, 2015). The main hub on women empowerment has increased the rate,

* B. Tech., M.B.A., Ph.D. Software Engineer, IBM, Bangalore. email : drsantoshkumarpanigrahi0@gmail.com



significance of female groups at social and economic sections. Female groups are also being aware of empowered on their participation in choice making, assisting the self-efficacy and proprietorship of assets (constructs of women empowerment). Most of the women desire is also community workers, but there are limitations to prevent women from achieving their goals. So, the occasion given by microfinance institutions is to rise above this restriction (Adair, Berguiga, Afonso, & Haas, 2014).

Women empowerment considered as a significant position for the economic and social growth of every society. The major difficulty is about the decision regarding empowerment of women, and management as below current and ancient societies have shaped an obvious variation between male and female (Van den Bold, Quisumbing, & Gillespie, 2013).

Regrettably, women are 75% of the deprived population and also have extremely inadequate right to use the amenities, which lead to empowerment. Two of the majority significant aspects of empowerment are contribution in choice making and proprietorship of assets, which give assurance and inspire poor women. Among the MFIs maintain the focal point on women empowerment and give them the opportunities to take part in choice-making and proprietorship by giving necessary micro-credit and by pleasing to the eye their extent as an earning person of the family.

Furthermore, Holvoet (2013) found out that woman empowerment is a sequence of procedures by which their regulation larger than a position contact with direct while giving their opinions. The basic opinion is that it can be controlled in terms of physiological requirements and above their attitude, principles, and perspectives. They also focused on the inferior and the impact of secondary groups, which approved from side to side this development of occurrence of psychological possessions and their philosophy into their own decision (Herath,

Guneratne, and Sanderatne, 2016). However, it may be delightful to manage in all aspects that make compulsory by them. Mefalopulos (2008) have found out that in his book World Bank on empowerment “embellishment of assets and capacity of poor people to participation and concur with control impact on those institutions and agencies which is accountable for distressing their lives”. The requirement of basic necessities includes food, shelter, water, and education required by the poor people in order for improving surroundings in the growing independence. Harassed by women empowerment, which stated that disadvantaged female groups should be optimistic by certain rights to monitor their self-interest on account of deliberation that women are more proficient upto a mark in specific decisions to get better their income principles (Nilakantan, Datta, Sinha, & Datta (2013). Ganle *et. al* (2015) also stated empowerment as a potential from one group to create considered life decisions in the background where this capacity was one time deprived of to her. Husain, Mukherjee, & Dutta (2014) has described empowerment is a potential tool from one individual to another for creating some specific decisions based on the background where her capacity is determined to some extent. The word empowerment also makes one’s choice to live or survive, one’s decision also depends upon either to survive or to get married or not

Choice Making

Women can make manage domestic possession beyond they cannot make the appropriate decision in the outside surroundings on account of they do not desire to take high risk. Usually, microfinance institutions are the worst suffers from high risk and supplementary risk to avoid bigger action. Women do not have to control the assets in making a decision. Nilakantha *et al.* (2013) confirmed women in Eastern India are more empowered on account of microfinance for living in a better environment on their day to day requirement concerning various issues and right to entry as they borrowed money from different

microfinance institutions. Khadar (2014) find out that micro-loans are considered to be useful to improve the way of life, and self-assurance personality based on rules, regulations on account of they are trained from the first day. On the other hand, from the philanthropic point of view, various opportunities, loans, training are being provided for the participation in decision-making process at their residence.

Proprietorship

Women have higher standard age in comparison to men and have a smaller amount of earning and other perks. This feature confronts women with a wider danger of in front of the financial crisis against men. It is well known to all that women have less savings and less possession of assets which make them more powerless. There are different techniques available for the proprietorship of resources to women which also to furnish them less empowerment to formulate concerning decision regarding purchase of assets. (Fonseca *et al.*, 2012). Yadav *et al.*, (2015) found out in advanced countries where identical rights given to male and female in comparison to underdeveloped countries as the same rights are not available to women. For this purpose, most of the microfinance institutions put their hard work have a most important focus on women inhabitants for empowerment and providing prospect in the country.

Intra-household Bargaining authority

It is stated that the belongings and consequences of profits earned from Self Help Groups (SHGs) actions which enable them for choice-making shifts between income earned from their saving and expenditure or types of payments.

Better economic possessions

Enhanced economic possessions has an optimistic contact on expenditure influence and their suggestion make to every day buying, increases in individual and health everyday

expenditure such as contraceptives or medicine (Adair *et al.* 2014).

Inspiration

It has been observed that the sequence of empowerment is not merely present the basis of encouragement towards the women, but further encourages a good number of significant instances for the period to come. This indication comes after they are appearing by all persons who will acquire well-informed and progressive (Bhattacharya, 2014).

II. LITERATURE REVIEW

Modi, Patel, & Patel (2014) discussed the consequence of microfinance services to sanction the women of rural areas and also the factors empowering the women. Further, it also was conducted in North of Gujarat area of India. The researchers originate that four factors that are, independence of choices in existence, come up to towards growth of children, an arrangement of women in humanity, and upgradation of socio-economic position were important in conditions of their contact on women empowerment. Nilakantan, Datta, Sinha, & Datta (2013) worked on the strength of mind based on the vital force of microfinance on the basis of the empowerment of women. Owing to the environment of study, they only incorporated women borrows. The four aspects they are considered, such as supervision of microenterprise, the authority on production matters including credit and expenditure, and pressure on the issues of children. They had assorted consequences, the only erratic by which establish importantly was pressure on matters associated with children in their relatives. Nasir & Farooqi (2016) calculated the consequence of microfinance on the enchanting element of women in choice making. They examined to observe the probable of microfinance in achieving the goal of empowering women. The authors measured the socioeconomic factors of women empowerment in the Aligarh district of India. And



they found there is an important control of microfinance on both social and economic aspects of women's life. Kato & Kratzer (2013) conducted a study on women empowerment in Tanzania. Their top of research was to think high concentration rates of microfinance in the country, which has a harmful contact on women. This learning had both quantitative and qualitative aspects. They found that even with elevated interest rates microcredit brings recovered change in the lives of women and hence empowers them. The test consists of about 500 women who were members and non-members that are borrowers and non-borrowers of microfinance. They create that member women are improved empowered in conditions of proceeds, investments, decision making, and self-esteem. Yadav & Verma (2015) studied women empowerment within the family circle capital by using sample data from countries like India, Brazil, South Africa, China, and the UK. They initiate that control of women on household income increases with microfinance. They also further stated that borrowers of microfinance have advanced level of assurance than the additional women.

Kapila, Singla, & Gupta (2016) carried out on research the position of microfinance from side to side based on arrangement on women empowerment role played by the Self Help Groups in India. They took the sample data from the state of Punjab which consists of 106 leaders and 318 member of these groups participated in the research. The study found that it showed that there was a important improvement in the profits of members and therefore there was a optimistic contact on family decision making. They establish that women borrowers of better amounts of micro credit were more empowered. Pakkanna, Arsyad and Suryantoro (2015) make a study on married women who use microfinance and to decide on the impact on their lives. They used a descriptive analysis in their research. They found that result of women empowerment as important and variables on the basis of the size of loan,

expenditure, living cost, access to teaching and others have no significant dissimilarity on microfinance. They also found that microfinance models with minimum capital necessity, having more flexibility, permanent and customer paying attention are more successful in terms of women empowerment.

Garikipati (2013) reviewed to settle the optimistic and pessimistic possessions of micro credit of empowerment of women in his research. She attempted that studies to be focused on access to loans showed positive effects, whereas studies connected to use of it showed a negative effect. She also used sample data of about 400 women in the rural areas of India and also found that bearing in mind empowerment just in conditions of outcomes is deceptive. She further suggested that focused be supposed to be on the employ of credit and reimbursement processes. Dash, Prasad, & Koshy (2016) considered the collision of microfinance on different factors of empowerment of women, namely, political, socioeconomic, savings, and income. The study was also done in India in the State of Kerala on a sample of 225 women. The consequences showed an important impact on the revenue and savings of microfinance borrowers.

Herath, Guneratne, & Sanderatne (2015) studied how socio-economic limitation and scarcity of women can be concentrated using microfinance, chiefly through collection lending. They find out the variables to review empowerment in expressions of right of entry to possessions, decision making, assurance, and standing in humanity. The researchers also used Empowerment guide to review the force on women. They had also used Women Empowerment Indices (WEIs) to find out the various effect of microfinance.

Hossain (2015) had find out on microfinance and women empowerment in Bangladesh mentioned various development actions carried out by microfinance institutions for the women of the country. He adopted alternate variables for

empowerment he establishes that the contact of microfinance was important. Chant (2016) raised on motivating position in his exploration about provided that acclaim to women, empowering them and sinking poverty. He also further stated that the feminization of poverty also has some compensation. This study is about the three interventions for poor women by Nike Foundation including microfinance, cash transfers, and investing in Girls. The results were found significant.

The literature reviewed concerning women empowerment find out that usually microfinance considerably affects women empowerment. Different detailed areas of empowerment as discussed by various researchers, showed varied results. Therefore this investigates with high opinion to two explicit areas of empowerment that is, decision making and ownership in Indian point of view is fairly important.

III. PROBLEMS AND CHALLENGES IN MICRO FINANCE

Most of the researchers have decorated that persistent poverty and underdevelopment among the women prevailed across India since independence. Despite, a number of methods taken by the Government, the situation is not very acceptable on account of accessible evils in the financial sector and society. The major problems and challenges as painted by the various studies, are as under:

- Not have of adequate knowledge to promote for entering into business;
- Insufficient knowledge of office work and accounting
- Service of a lot of workers that increases distribution of profits, group lending;
- Wealth shortage and high-interest rates;
- Inventory and price increases in accounting;

- Errors in praise policies;
- Monetary inclusion in the tribal and most backward rural areas;
- Conflicts for the breakup of the Groups; and
- Internal family problems, established household tasks of the women.

Way forward

- Awareness campaign for the women about their rights, responsibilities, etc.;
- Attaining full women literacy to strengthen the awareness campaign;
- Extension of women oriented training/ skill for employment and earning;
- Growth of a well-built mutual reproduction among banks, NGOs, MFIs and Women's organizations to work out most excellent practices and
- Framing policies for financial sustainability of poor women for creating community owned institutions;
- Efficiently completion of the gender strategies in micro finance in a broad way for rising providing necessary credit facilities and self-help groups in a strategic thinking for promoting women empowerment. (Mayoux, L.1998a)

IV. RESEARCH METHODOLOGY

In this paper data preferred from Microfinance institutions carried out in the course of a self-administered questionnaire, the subject is useful quantitative come up to on principal data collected during random sample method in the year 2020. In order to measure various statistical tools are used from Kato *et al.* (2013). The inhabitant's covers in this research paper cover deprived women by which micro-credit from different microfinance organizations from various locations of India.

Table-1 : Proprietorship of Assets

Assets in number	Women members of micro-finance institutions		Women members in not associated with micro-finance institutions	
	Frequency	Per cent	Frequency	Per cent
1	16	9.0	48	38.4
2	34	19.1	35	28.0
3	57	32.0	27	21.6
4	44	24.7	15	12.0
5	17	9.6		
6	7	3.9		
7	2	1.1		
8	1	0.6		
Total	178	100.0	125	100.0

Source: Primary Data

The comparative difference among the proprietorship of assets between women members of micro-finance institutions and women members in not associated with micro-finance institutions shown in Table-1. Most of the women members in not associated with micro-finance institutions having one or two assets in their proprietorship. It has been suggested that comparison is made to find out most of the women members of Microfinance institutions. It depends on the empowerment of women with micro-entrepreneurial works funded by micro-finance institutions.

Table-2: Purchase of Grocery items

Decision taken by women members	Women members of micro-finance institutions		Women members in not associated with micro-finance institutions	
	Frequency	Per cent	Frequency	Per cent
Self	100	56.2	16.8	
Spouse	33	18.5	25	20.0
Self + Spouse only	40	22.5	28	22.4
Someone else	4	2.2	28	22.4
Jointly with someone else	1	0.6	23	18.4
Total	178	100.0	125	100.0

Source: Primary Data

Table 2 points out involvement of women from two samples in the purchase of grocery items concerning different products as well as women members of microfinance institutions. As they have additional capacity for purchase of grocery items the grocery items.

Table-3: Purchase of cloth items

Particulars on decision makers	Women members of micro-finance institutions		Women members in not associated with micro-finance institutions	
	Frequency	Per cent	Frequency	Per cent
Self	105	59	19	15
Spouse	25	14	20	16
Self + Spouse only	31	17	30	24
Someone else	09	06	34	27
Jointly with someone else	08	04	22	18
Total	178	100.0	125	100.0

Source: Primary Data

Table 3 shows the purchase of cloth items undertaken through Microfinance institutions members consisting of both women and non-member women also presents an enormous distinction of participation as Women members of micro-finance institutions have much superior percentage of decision-making power than the Women members in not associated with micro-finance institutions.

Table-4 : Self Items decision

Particulars on decision makers	Women members of micro-finance institutions		Women members in not associated with micro-finance institutions	
	Frequency	Per cent	Frequency	Per cent
Self	130	73.0	29	23.2
Spouse	22	12.4	31	24.8
Self + Spouse only	18	10.1	35	28.0
Someone else	5	2.8	19	15.2
Jointly with someone else	3	1.7	11	8.8
Total	178	100.0	125	100.0

Source: Primary Data

From the above table 4 represents the decision of purchasing of self-items and it points out a significant contribution on the influence of decision making surrounded by the Women members of Microfinance institutions in comparison to women members in not associated with micro-finance institutions. With regards to decision making on women members in not related to micro-finance institutions on account by their spouse or by Self and spouse on the basis of jointly.

Table-5: Decision by the women members on purchasing of Pots-Pans

Decision makers women	Women members of micro-finance institutions		Women members in not associated with micro-finance institutions	
	Frequency	Per cent	Frequency	Per cent
Self	94	52	22	17.6
Spouse	22	12	21	16.8
Self + Spouse only	41	24	31	24.8
Someone else	09	5	26	20.8
Jointly with someone else	12	7	25	20.0
Total	178	100.0	125	100.0

Source: Primary Data

Table 5 presents in the various approach adopted with regard to the decision regarding the details of the purchase on pots and pans. It is observed that majority of taken by women members of micro-finance institutions itself in comparison to a low percentage represents women members in not associated with micro-finance institutions. It is observed that 7 has suggested to find out the dissimilarity on consequences in distinction of earlier tables and describes an elevated choice making of spouse in conditions of female group members of micro-finance institutions.

Table 6: Decision on Repairing of House

Particulars on various decision	Women members of micro-finance institutions		Women members in not associated with micro-finance institutions	
	Frequency	Per cent	Frequency	Per cent
Self	60	33.7	23	18.4
Spouse	75	42.1	24	19.2
Self + Spouse only	32	18.0	19	15.2
Someone else	10	5.6	31	24.8
Jointly with someone else	1	0.6	28	22.4
Total	178	100.0	125	100.0

Source: Primary Data

Table-6 presents on house repairing decisions are taken by majority of members for Microfinance institutions in a smaller amount in comparison to involvement of non-member for their decision-making.

Table-7: Land purchase Decisions

Particulars on decision makers	Women members of micro-finance institutions		Women members in not associated with micro-finance institutions	
	Frequency	Per cent	Frequency	Per cent
Self	61	34.3	27	21.6
Spouse	71	39.9	19	15.2
Self + Spouse only	33	18.5	26	20.8
Someone else	12	6.7	30	24.0
Jointly with someone else	1	0.6	23	18.4
Total	178	100.0	125	100.0

Source: Primary Data

It is evident from Table 7 that participation of Microfinance institutions members have significantly soared in decision making in relationship to non-member women, but they have a fewer contribution in decision making than their partner.

Table-8: Household Decisions

Particulars on decision makers	Women members of micro-finance institutions		Women members in not associated with micro-finance institutions	
	Frequency	Per cent	Frequency	Per cent
Self	38	21.3	22	17.6
Spouse	61	34.3	25	20.0
Self + Spouse only	62	34.8	23	18.4
Someone else	15	8.4	24	19.2
Jointly with someone else	2	1.1	31	24.8
Total	178	100.0	125	100.0

Source: Primary Data

The decision regarding building the house is also very significant and taking part of Microfinance institutions member women is superior to the non-member women but the difference is not very towering. If the two sections combined here for further clarification which is Self and jointly Self and spouse, then the percentage of member women is 56.1 and non-members are having 36 percent participation and it shows a significant difference in two samples.

Table 9: Purchase decisions of various equipment

Particulars on decision makers	Women members of micro-finance institutions		Women members in not associated with micro-finance institutions	
	Frequency	Per cent	Frequency	Per cent
Self	68	38.2	27	21.6
Spouse	38	21.3	37	29.6
Self + Spouse only	66	37.1	13	10.4
Someone else	3	1.7	27	21.6
Jointly with someone else	3	1.7	21	16.8
Total	178	100.0	125	100.0

Source: Primary Data

Table 9 shows that participation of Microfinance Institutions member women in decision making is higher than the non-member women and it

shows that credit given by Microfinance Institutions for micro-entrepreneurship among women enhances their empowerment as they are more indulged in the decision-making process. The study further shows that microfinance plays a crucial role in the participation of women in decision making and ownership. A revision shows the related results as shown by De Brauw *et al.*, (2014), Nilakantan *et al.*, (2013), Bhaumik *et al.*, (2016), Kato & Kratzer, (2013) concerning the impact of microfinance on decision making power of women in intra-household matters but this study, in contrast, explore the kind of decision making women involved like equipment purchase decision, house build decision, land purchase decision etc., it identifies the worth of decision in which women involved. While talking about proprietorship of assets by women also shows the impact of microfinance similar to many studies (Dash *et al.*, 2016; Fonseca *et al.*, 2012; Kato & Kratzer, 2013; Yadav and Verma, 2015).

V. MAJOR FINDINGS

The impact of microfinance on female participation in the decision-making and ownership process of these micro-finance institutions (MFIs) in India based on the responses collected from the distribution of primary questionnaire. The results suggest that women members of MFIs have considerably higher involvement in decision making and have more ownership of assets. Contribution of women in economic activities is particularly significant to attain inclusive growth. To accelerate the process of completeness, a number of fiscal inclusion actions have already been done through a growing number of banks and MFIs and noteworthy economic and social empowerment of women through SHGs have been pictured. Nevertheless, a group desires to be recognized in a widespread measurement to decrease the breach between rich and poor. In so far as microfinance on the involvement of women in decision making and ownership women is concerned, it is a long-term feature and consistent

hard work need to be unexpectedly drifted out from each angle of the society. Government's effort from side to side crafty and implementing various policies for generating and providing financial supports may be well behind attaining the millennium growth goals for microfinance in decision making for a strong willingness, efforts and utilization power is developed by the women and their families. The dream of eradicating poverty and hunger from women/ society can only be achieved when the beneficiaries can excavate out the multiplier effect of the funds (cash or kind) and services supported. The Government/ financial institutions have the innovative steps taken through the SHGs must be welcomed and be extended to many poor women for their empowerment to build a new, healthy and violence-free women empowered and developed. This can fulfil the aim of inclusive growth.

VI. CONCLUSION

The present study is focusing on the role of women as empowered population and its optimistic outcomes on their existence excellence

and for the public as a whole. The study also further recommends that women's entrepreneurial can be improved through facilitations like microfinance institutes. The functions of Microfinance Institutions in establishing and empowering women is of a prominent role in India for a few important reasons. Moreover, the country is a rising one with the help of female members affecting the round of life.

The outcome also stated that women from Microfinance institutions have complementary choice-making capability and possessions ownership through managerial work. The findings also recommend that those women belong to dynamically concerned in their income for their families as a whole a lot of outcomes for improvement of self-efficacy. It also suggests financial support for the prospective improvement on the economic fibre of not only their homes but also the nation jointly. At last more recommendations made for the more microfinance institutions on the elastic and easy sufficient for women.

REFERENCES

- Adair, P., Berguiga, I., Afonso, J., & Haas, E. (2014). How do social and financial performance of microfinance institutions interact? A panel data study upon the MENA region (1998-2011). *Savings & Development*, 38(1), 7-26.
- Ali, I., Islam, S. M., & Hatta, A. Z. (2015). Microfinance Helps to Rural Women for Poverty Reduction in the District of Bogra, Bangladesh. *Sociology and Anthropology*, 3(4), 218-225.
- Bezboruah, C. K., & Pillai, V. (2013). Assessing the Participation of Women in Microfinance Institutions: Evidence from a multinational study. *Journal of Social Service Research*, 39(5), 616-628.
- Bhattacharya, S. (2014). Measurement of Women Empowerment: An Alternative Approach. *International Journal of Business Quantitative Economics and Applied Management Research*, 1(6), 86-98.
- Bhaumik, K. S., Dimova, R., & Gang, N. I. (2016). Is Women's Ownership of Land a Panacea in developing Countries? Evidence from Land-Owning Farm Households in Malawi. *The Journal of Development Studies*, 52(2), 242-253.
- Buvinia, M., & Furst-Nichols, R. (2016). Promoting women's economic empowerment: what works? *The World Bank Research Observer*, 31(1), 59-101.
- Dash, M., Prasad, M. V., & Koshy, C. (2016). Women Empowerment through Microfinance Services. *Journal of Applied Management and Investments*, 5(1), 20-25.
- De Brauw, A., Gilligan, O. D., Hoddinott, J., & Ro. (2014). The impact of Bolsa Familia on women's decision-making power. *World Development*, 59, 487-504.
- Diana Deere, C., Alvarado, E. G., & Twyman, J. (2012). Gender inequality in asset ownership in Latin America: female owners vs household heads. *Development and Change*, 43(2), 505- 530.



- Doss, C. (2013). Intrahousehold bargaining and resource allocation in developing countries. *The World Bank Research Observer*, 28(1), 52-78.
- Duflo, E. (2012). Women empowerment and economic development. *Journal of Economic Literature*, 50(4), 1051-1079.
- Ellsberg, M., Arango, J. D., Morton, G. M., Gennari, F., Kiplesund, S., Contreras, M., & Watts, C. (2015). Prevention of violence against women and girls: what does the evidence say? *The Lancet*, 385(9977), 1555-1566.
- Fonseca, R., Mullen, J. K., Zamarro, G., & Zissimo. (2012). What explains the gender gap in financial literacy? The role of household decision making. *Journal of Consumer Affairs*, 46(1), 90-106.
- Ganle, K. J., Afriyie, K., & Segbefia, Y. A. (2015). Microcredit: empowerment and disempowerment of rural women in Ghana. *World Development*, 66(1), 335-345.
- Harper, Malcolm, (2002), "Promotion of Self Help Groups under the SHG Bank Linkage Program in India", Paper presented at the Seminar on SHG Bank Linkage Programme at New Delhi, November 25-26, 2002.
- Hansen, N. (2015). The development of psychological capacity for action: The empowering effect of a microfinance programme on women in Sri Lanka. *Journal of Social Issues*, 71(3), 597-613.
- Herath, H., Guneratne, L., & Sanderatne, N. (2016). Impact of microfinance on women's empowerment: a case study on two microfinance institutions in Sri Lanka. *Sri Lanka Journal of Social Sciences*, 38(1), 51-61.
- Holvoet, N. (2013). The Differential Impact on Gender Relations of Transformatory and Instrumentalist Women's Group Intermediation in Microfinance Schemes: A Case Study for Rural South India. *Journal of International Women's Studies*, 7(4), 36-50.
- Husain, Z., Mukerjee, D., & Dutta, M. (2014). Self Help Groups And Empowerment of Women: Self Selection, Or Actual Benefits? *Journal of International Development*, 26(4), 422-437.
- Iyengar, R., & Ferrari, G. (2015). Discussion sessions coupled with micro-financing may enhance the role of women in household decision-making in Burundi African Successes: Human Capital. *University of Chicago Press*, 2.
- Khan, H. T., Islam, M., Talukder, M., & Khan, M. (2013). Micro credit-women empowerment nexus explored: a study on the women of selected rural areas in Natore district, Bangladesh. *Res Humanit Soc Sci*, 3(3), 110-120.
- Kumar, L. (2013). Illusion of Women Empowerment in Microfinance. *Economic & Political Weekly*, 48(15), 71-76.
- Kumar, S., & Joshi, H. (2015). Economic Empowerment of Women through Self Help Groups in India: An empirical study from Belthangady Taluk, Karnataka. *International Journal of Social Sciences & Interdisciplinary Research*, 1-4.
- Loukili, A. (2016). *An exploration of factors influencing socio-economic development in Arab countries*. Doctoral dissertation: Western Illinois University.
- Modi, A. G., Patel, K. J., & Patel, K. M. (2014). Impact of Microfinance Services on Rural Women Empowerment: An Empirical Study. *IOSR Journal of Business and Management*, 68-75.
- Mayoux, L. (1998a). Women's Empowerment and Micro-finance programmes: Approaches, Evidence and Ways Forward. The Open University Working Paper No 41.
- Murshid, S. N., Akincigil, A., & Zippay, A. (2016). Microfinance participation and domestic violence in Bangladesh results from a nationally representative survey. *Journal of interpersonal violence*, 31(9), 1579-1596.
- Nilakantan, R., Datta, C. S., Sinha, P., & Datta. (2013). The impact of microfinance on women empowerment: Evidence from Eastern India. *International Journal of Development and Conflict*, 1, 27-40.
- Panda, K. P. (2014). Role of Micro Finance in Reduction of Domestic Violence Against Women: An Economic Analysis. *Indian Journal of Economics and Business*, 13(3), 449-462.
- Samarakoon, S., and Parinduri, A. R. (2015). Does education empower women? Evidence from Indonesia. *World Development*, 66(1), 428-442.
- Van den Bold, M., Quisumbing, R. A., & Gillespie. (2013). Women's empowerment and nutrition: an evidence review. *IFPRI Discussion Paper 01294* (pp. 80-85). SSRN.

A Creative Approach Towards the Furniture Business Opportunities in India

Prof. Sandeep Bhattacharjee*

Prof. Bratini Shome**

ABSTRACT

With the changing cultural setup of modern India, there exists a booming demand for household products, including furniture. These furniture holds a critical value for any household, be it urban or rural areas. It is assumed that a household setup is incomplete without the inclusion of necessary furniture, depending upon the affordability criteria of different households in India. In this research paper, we have made efforts through exploratory research to understand the various aspects of the furniture market in India. Several important facts such as availability of faster and cheaper internet, availability of smart gadgets including Smartphone, the role of small and medium enterprises in furniture production or integrator, imports of wood as major raw material etc. were discovered. Also, the growth of e-payments and digitisation was found to be related to the expansion of furniture market in India. This research paper can be useful for students, academicians, businesses who are related to the furniture market and other interested parties thereof.

Key Terms: furniture, technology, wood, distribution, import

I. INTRODUCTION

According to a World Bank study, the organised furniture industry is expected to grow by 20 per cent every year. A big chunk of this growth is estimated to arrive from the rapidly growing consumer markets of Asia, implying the significant potential for growth in the Indian furniture sector.

“The Furniture Market in India was valued at USD 25.7 Billion in 2016 and is Expected to Register a 12.91% CAGR over the Forecast Period “-(Source: www.researchandmarkets.com/reports/4326520/)

As per **BusinessWire** (The Indian Furniture Market, 2019: Analysis & Outlook 2018-2023 - ResearchAndMarkets.com), The Indian Furniture Market is expected to attain USD 32.61 Billion (a CAGR of 13.38%) by 2018 in the forecast period, i.e. 2018-2023. Additionally, by the end of 2023, the market is projected to ascend further around USD 61.09 Billion.

One of the reason has been several technological developments that include ease of use of fast speed internet networks (4G and expecting 5G networks soon) with rapid inclusion of smart gadgets that is making e-retail sector in India glow and glitter. These parallel progressions provide attractive opportunities for consumers to procure furniture using online channels. Notably, there has also been a sharp rise in Smartphone users all over the country and players in the furniture industry are now motivated to innovate, customise and advertise their products by means of such online channels. Also, improvement in quality of cameras has led to sharp images of furniture's being advertised as augmented reality for consumer decision making.

The dominance of wooden furniture is expected to maintain its expansion in the Indian furniture market with a CAGR of 11.32% by 2018-2023 as predicted by experts based on the trends With India witnessing a sharp growth of nuclear

* Assistant Professor, Amity University, Kolkata, West Bengal 700156, Mobile: +91-9836648495, E-mail: sandeepbitmba@gmail.com

** Assistant Professor, Amity University, Kolkata, West Bengal 700156, Mobile: +91-9830138802, E-mail: bshomebasu@gmail.com

families, even single parent families, adaptation of western culture has exaggerated the need for wood furniture. Also, The change in taste, preferences among the new generation of population for varied types of furniture is enabling speedy growth of market It has also been observed that the attention of customers is also diverting towards use of different kinds of materials such as leather and glass which can be utilised in furniture production making it a more lucrative segment in the coming future.

1.1. The Indian Furniture market

India has been importing wood from several foreign countries. As per modernwood workindia.com, one of the main factors behind the emergence of International Fair Platforms in India such as Indiawood, Delhiwood, Mumbaiwood, has been the unwavering support of Eumabois and Acimall. They believed in the potential of the Indian woodworking industry even if ground reality at that time was not very encouraging.

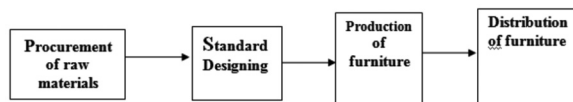


Figure 1. Process of furniture making
(Source: Author)

As seen in Figure 1, the mentioned steps can be discussed as follows:

● Step 1. Procurement of raw materials:

This step is the most crucial part furniture as a product. It includes searching for sustainable value ended sources for procurement of different types of wood (quality, volume, dimensions, etc.) at standard market negotiable and affordable rates. It also includes metals, canes and reeds, plastics, fibers etc.

● Step 2. Standard Designing

The designing of furniture is based on the market trends either at a local market level, international level or customised levels. Different innovative shapes, sizes, dimensions are created with the

help of software specially designed for wood designs, metal designs including rolling, moulding, galvanising etc. Plastic designs are also popular in domestic market as they are easy to be manufactured in large volumes, easy on transportation and less priced as compared to wood or metal substitutes.

● Step 3. Production or Manufacturing

This step is how design ideas are being practically converted into real-time products. It involves processing, assembling and finishing of semi-finished components made out of wood, metal, canes, reeds, plastic, fibers etc. Production of wooden furniture needs semi automated machines for carving out designer wood components. Metal furniture requires error less finishing with solidity, rigidity and long-lasting toughness procedures. Plastic furniture's are created using extrusion or injection moulding using cellulose, coal, natural gas, salt and crude oil through a polymerisation or polycondensation process.

● Step 4. Distribution

Distribution of furniture is based on the availability of dealers or authorised distributors. Although, at present, much of the transactions are taking place due to the presence of online companies such as Damro, Durian, Hometown, Pepperfry etc. These companies have led to an online revolution that made modern furniture more popular than ever before. The popularity of online furniture has shown a steady improvement with growing urbanisation and rise in income of such population. Also the improvement in technology-aided with the digitisation of augmented reality and payment system

1.2 Facts around Indian Furniture Market

Some of the instances are:

1. GCM Teak Brazil:

GCM Teak is considered as one of the most important exporters of teak clean squares from

the south latin American country known as Brazil. This teak arrives from well known administered plantation and production depends on the assortment of the best trees as needed for the final product. This group provides high grade teak in different required sizes that includes (3 x 2), (3 x 3), (3 x 4), (3 x 5) among others. The company had been searching for sustainable long term distributors, for which it had taken participation in major wood exhibitions in India. Initially, it promoted itself as suppliers in Indiawood 2016 in Bengaluru succeeded by Delhiwood in 2017 held in New Delhi. As a result of such participation for two consecutive years, GCM Teak Brazil could manage to increase the shipment quantity to Indian market. The local Indian distributors also provided useful guidance in determining right acceptable quality and dimension. In present times, many Indian teak importers have conveyed their delight while working along with GCM teak Brazil.

2. Teakwood imports:

Teakwood, popularly known by its operational name of sagwan in India, is frequently imported from countries such as Asian country of Myanmar, African countries of Nigeria, Ivory Coast, Ghana, Benin, Togo, Cameroon and Ecuador. The best quality of such wood naturally comes from Asian countries due to aged evolution and adaptation in the tropical forests of South-East Asia. In recent times, Myanmar is the only country engaged in exporting its natural forest-grown teak. There has been a ban on exports by governments of Indonesia, Thailand along with a domestic ban on protection of forests.

3. Major Ports:

Two major ports i.e. **Kandla and Mangalore** have vast stretches of vacant land offers better prospects due to which most of the imports of wood takes place in these ports. These ports have been used for a long time for wood imports for furniture arriving from other countries. Due to the extensive storage place, the orders from different importers can easily be carried out conveniently

from these places.

II. LITERATURE REVIEW

In a significant work by Spiller, P., Lohse, G. (1997), on the topic, "A Classification of Internet Retail Stores", a classification of online retail stores using a non probability convenience sampling of 137 Internet retail stores was conducted. The research was able to identify five different types of online store design strategies namely Super Stores, Promotional Stores, One Page Stores, Plain Sales Stores, and Product Listings. These stores differed mainly in terms of the size of the store, the magnitude of extra information and appetizer, including the interface design of consistency, image sizes, page lengths and navigation capabilities.

Another suggestion by Alba, Lynch, Weitz, Janiszewski, Lutz, Sawyer and Wood (1997) was related to the key disparity between online and offline shopping wherein the ability of online shoppers to acquire more information on price and non monetary related information are based on less search cost. Internet enables fewer click mechanism to get a comprehensive picture on the comparable quality, quantity, value, pricing, and other essential features. It also saves opportunity time for consumers who can easily spare some minutes on augmented search and comparison basis.

The design of furniture also plays a decisive role during the consumer selection process. The word 'inclusive' means that nobody within the targeted population should be excluded. The goal of inclusive design is to make people feel comfortable and equally accepted (Ates, 2012). The products should be usable and accessible for as many people within the targeted population as possible, leading to reducing needs for a particular design or special adaptation (Cross, 2008). 'To create a good design, it is essential to understand the demands and capabilities of the intended users' (Clarkson et al., 2013).



People face different levels of difficulties while selecting a design. Inclusive design is focused on the product design, within obtained profits and environmental care, with the aim of use of the manufactured products for the entire population, with different percentages of difficulties for the entire population. This set of problems is known as the 'Population Pyramid' (Waller et al., 2013). In terms of supply chain of raw materials, foreign factories can obtain advantage from different kinds of tariff and trade concessions, cheap direct labor, capital based on subsidies along with diminished logistics costs (Ferdows, 1997). On the other hand, several articles affirm that worldwide supply chain systems are more complicated to supervise as compared to domestic supply chain systems (Wood et al., 2002; MacCarthy and Atthirawong, 2003).

From the above literature review, we realise that there is a scope for us to understand the working process and growth of furniture market in India. With, this idea, we have tried to frame the construct of our research where we have been attempting to ascertain the following objectives:

- a. To identify the nature of furniture market.
- b. To understand the raw materials used in furniture making.
- c. To identify critical factors in furniture market.

III. RESEARCH METHODOLOGY

In this research paper, our intention was to identify the practicalities of furniture market in India. To understand this, we have collected secondary data from various published sources such as journals, published reports. Some graphs and figures have also been used based on secondary data sources. The trends were also collected from reputed sources and were acknowledged. A preliminary investigation helped in the construction of the literature review part and exploratory research was used to build the periphery of discussion and analysis.

IV. DATA ANALYSIS AND DISCUSSION

4.1 Types of furniture:

There are several types of furniture that are available in the market:

a. Home furniture :

In India, Home furniture is offered in terms of wide range, suitable for different types of consumer needs. A characteristic middle class urban Indian home may have different rooms (including kitchen and bathroom). It is estimated that about 25 per cent of such urban population cohabit in homes with around five rooms or more than five rooms, and 45 per cent of such population may reside in homes with three rooms or less than three rooms. Another, 16 per cent is anticipated to live in single-room houses. Therefore, different types of furniture with varying designs must exist relying on the customer's houses, house space, preferences, privileged circumstances and tastes.

b. Office furniture :

In recent years, the office segment of users of furniture has also multiplied and witnessed high growth, along with the expansion of the Indian economy and consequent requirements for office space. Also, the drive for real estate growth and office structures is anticipated to continue in the coming future, representing nonstop growth for the dependent furniture industry.

c. Contract furniture :

These furniture are linked to the contract segment that is primarily related to hotels and its expansion is accordingly linked to development in tourism and construction of new hotels. In the organised sector, there are approximately 1,200 hotels in India. According to reports, there are around 10 per cent in the 5-star category and other categories such as star apartment hotels etc. These furniture are

created with portability feature in mind and are flexible in terms of adjustments and hotel spaces.

4.2 Types of Raw Materials Used in Furniture

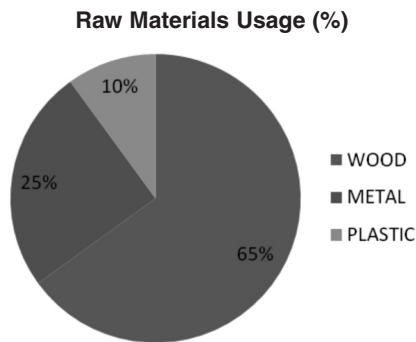


Figure 2. Raw material usage(in percentage)
(Source: Author)

There are three types of basic raw materials that are used in furniture market:

- **Wood**

The Indian landscape has been fortunate to have abundance in numerous types tree species whose wood is utilised for wood based furniture making. Although some native wood material available in India, other types of wood are imported, to balance in such cases when the domestic supply of wood is insufficient. The more popular wood types used in India include Walnut, Teak, Sheesham, Sandalwood, Deodar, Ebony, Rosewood, Redwood, Red Cedar and Sal. The major form of wood in demand is Teak wood which accounts for nearly 50 per cent of the entire wooden furniture produced, 20 per cent belongs to Sal and Deodar, and the remaining includes Cedar, Mahogany, and other types of tree. Another of the popular form is Bamboo Material Boards (BMB) that is gradually used more in practice substituting plywood. abundant Rubber wood supply is abundant and is used for many furniture such beds, dining table, chairs etc.

- **Metal.**

Different kinds of metals such aluminum, steel

etc. are used for either creating a suitable furniture based partially or even the complete furniture can be made using metals. These products are comparatively cheaper and easier to be fixed or installed and can be easily transported from one place to another. Unlike wooden furniture, which are bulky, they are on the medium weight size and can be used in offices and homes much suitably. Many local furniture making companies cater to these kind of metal furniture in different parts of rural, semi urban and urban India. Metal coating of furnitures is also gaining popularity in urban furniture stores in India.

- **Plastic**

Plastic furniture market has been growing at a very fast rate. The emergence of Plastic cast furniture has virtually magnified in the Indian market scenario and has ascended to nearly 70 million in volume, using nearly 170 kg of polypropylene material. The reputation of plastic furniture has developed since it presents benefits missing in traditional wooden and metal furniture that includes trouble-free maintenance, less weight, sturdiness and cheaper to afford. Plastic furniture is essentially based on composition of polypropylene (PP) which includes hopolymer that offers firmness and copolymer that provides impact. (Source: http://atozplastics.com/upload/literature/317_furniture.asp)

4.3 Critical Factors Involved in Furniture Industry

1. The import factor:

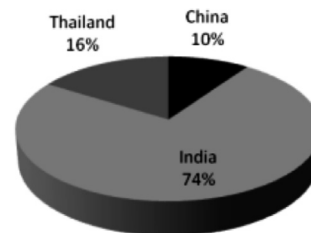


Figure 3. Share of global teak roundwood imports (1.07 million m³/year average (2005 to 2014)
(Source: <http://www.fao.org/3/a-i5023e.pdf>)

As seen in Figure 3, a majority of the global teak imports has been consumed by India i.e. almost 74% of the global imports of 1.07 m3 / year for 9 years (2005 to 2014). This shows consistent demand for teak wood consumption, mainly for furniture production.

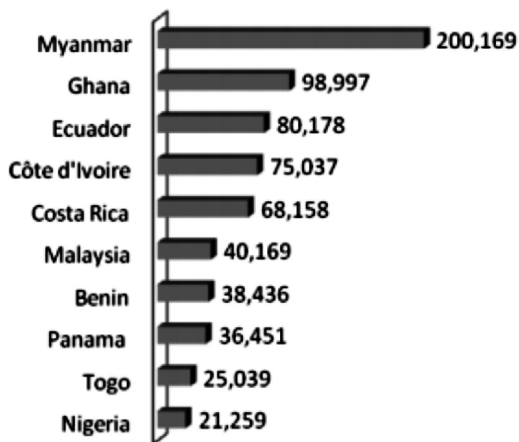


Figure 4. Highest teakwood imports to India (greater than 10000 m3/year on average/year) during 2005 to 2014.

(Source: <http://www.fao.org/3/a-i5023e.pdf>)

As seen in Figure 4, the major exporters for teakwood in Indian market has been Myanmar, followed by Ghana, Ecuador, cote de ivore, Costarica and so on. This proves that Myanmar continues to be the biggest supplier of teakwood to India.

2. Role of SME's in Indian furniture market growth

There had been many players emerging in the Indian furniture making sector such as Damro, Durian Furniture, Evok (Subsidiary of Hindware Home Retail Pvt. Ltd. (HHRPL), Featherlite, Furniturewalla, Geeken India, Godrej & Boyce Manufacturing Co. Ltd, HNI BP Ergo India (A holding company of HNI Corporation), Home Town, IKEA, Millennium Lifestyles, Nilkamal Limited, Pepperfry, Urban Ladder, Wipro Enterprises (P) Ltd., Zuari Global Ltd. These Furniture manufacturers in India are catering to varied tastes, preferences with new ideas among various customer segments and geographies.

This industry is also getting gradually more structured and spirited with competitive margins likely to be maintained progressively under the impact. Therefore, they must develop the capability to control costs through enhanced manufacturing processes and curtail waste that shall be a requirement for all such players in this segment of the market.

3. Supply Chain in furniture market

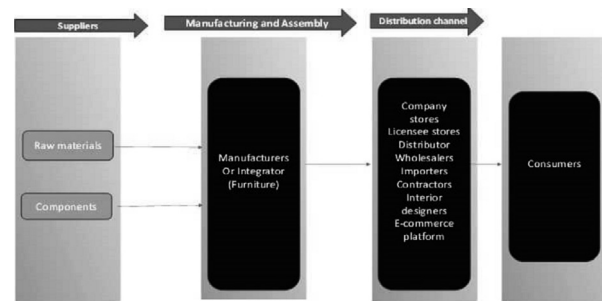


Figure 5. The Indian furniture supply chain market

(Source: https://wikibizpedia.com/Furniture_industry_in_India_growing_at_20%25_per_annum)

As seen in figure 5, supplier selection for raw materials and essential related components is based on quality, quantity, availability, sustainability issues. The manufacturers or integrators need to ascertain modern processes with relevant technology is available for creating innovative designs with higher demand for customers in the Indian market. Once the products have been created or modeled, they are being displayed in licensed stores, distributors, wholesalers, importers, contractors, interiors, designers. At present, e-commerce platforms enabled consumer choices through augmented reality has led to a sharp rise in urban demands across the nation. Once the furniture has been ordered, it can be passed on to the pre assigned information technology-based logistical system, which is becoming more and more efficient in the delivery of ordered goods to the consumer's destination.

4. Technology in the furniture market

In general, shopping for furniture can be at times can be really puzzling and time wastage.

Pepperfry brought the concept of augmented reality which has allowed consumers. This Three dimensional(3D) augmented reality feature assists users to get the actual view of the furniture and alter the colours of the walls as per their own likeness and construct an image of how the furniture can fit in the room of the user. This enables the user to save a lot of time, as a product like furniture product has a big size and is even more difficult to change once it has been purchased.

5. Role of e-payments

In the furniture market, digital payments have enabled to consumers to supplement their shopping extravaganza endeavor with the ease of e-commerce companies facilitating digital transfer of money. These payments can be made using digital wallets, account transfer, debit card transfer, credit card transfer and even equal monthly installments. These wallet companies can also entice the consumers by providing lucrative offers and cash backs schemes to bring potential customers on board the furniture shopping sites facilitating digital payments. The smooth growth of Smartphone companies aided with the ease of use of fast internet, eye-catching offers the banking and digital wallet companies to find a smooth way into the consumer's smart devices as well as the wallets.

REFERENCES

- Alba, J., Lynch, J., Weitz, B., Janiszewski, C., Lutz, R., Sawyer, A., & Wood, S. (1997). Interactive Home Shopping: Consumer, Retailer, and Manufacturer Incentives to Participate in Electronic Marketplaces. *Journal of Marketing*, 61(3), 38-53. doi:10.2307/1251788
- sAtes, F. (2012). Inclusive Design. *Smashing Magazine*, [Online]. 4. Available at: <http://www.smashingmagazine.com/2012/01/12/inclusive-design/>. [Accessed April 2014].
- Clarkson, P.J., Waller, S., Cardoso, C. (2013). Approaches to estimating user exclusion. *Applied Ergonomics*, <http://dx.doi.org/10.1016/j.apergo.2013.03.001> [Accessed: February 2014].
- Cross, N. (2008). *Engineering design methods, strategies for Product Design*. 3rd ed. England: West Sussex
- Ferdows, K., "Making the most of foreign factories." *Harvard Business Review*, 75: 73- 88, 1997.
- MacCarthy, B.L., Atthirawong, W., "Factors affecting location decisions in international operations - a Delphi study." *International Journal of Operations & Production Management*, 23: 794 – 818, 2003.
- Waller, S., Bradley, M., Hosking, I., Clarkson, J. (2013). Making the case for inclusive design. *Applied*

V. FINDINGS & CONCLUSIONS

As seen above, the findings can be summarised in points as:

- a. **Furniture** caters to a large variety of requirements which can be home based, Office based and contract based and can be available in wooden, metal and plastic formats.
- b. **While** the demand for wooden furniture has always existed, plastic furniture demand has rose sharply since a brief period of time due to the advantage of cheap price, longevity, high volume production capability and others.
- c. **Competition** has been increasing since last three to five years with most companies now offering online platform with more varieties and better competitive pricing on offer.
- d. **Digital payments** have enabled faster transactional benefits for both furniture sellers and purchasers.

Therefore, from the above, we can conclude that the furniture market is further expected to grow very fast with families becoming nuclear, fast and affordable internet speed and availability of smart gadgets, and efficient logistical support extending to every part of India.



Ergonomics, <http://dx.doi.org/10.1016/j.apergo.2013.03.012> DOI: 10.1016/j.apergo.2013.03.012. [Accessed: February 2014].

- Wood, D.F., Barone, A.P., Murphy, P.R., Wardlow, D.L., "International Logistics." AMACOM, New York, 2002.
- Extracted from http://atozplastics.com/upload/literature/317_furniture.asp, Accessed on 16.07.2019(online)
- Extracted from <https://www.businesswire.com/news/home/20190503005195/en/Indian-Furniture-Market-2019-Analysis-Outlook-2018-2023>. Accessed on 15.07.2019(online).
- Extracted from <https://www.ibef.org/blogs/digital-payment-industry-in-india>. Accessed on 16.07.2019(online)
- Extracted from https://www.ibef.org/download/Furniture_170708.pdf. Accessed on 15.07.2019(online).
- Extracted from http://www.modernwoodworkindia.com/MWI-FlipBook/Publications/MWI/MWI/01_02_2019/Runpdf/01_02_2019.pdf. Accessed on 15.07.2019(online)
- Extracted from <https://nsdcindia.org/sites/default/files/Furniture-Furnishing.pdf>. Accessed on 15.07.2019(online)
- Extracted from <https://www.researchandmarkets.com/reports/4326520/india-furniture-market-size-demand-opportunity>
- Extracted from <https://www.thedollarbusiness.com/magazine/teakwood-all-hail-the-king-of-hardwoods/11308>, Accessed on 16.07.2019(online)

Work-life Balance and Its Impact on Job Satisfaction—A Systematic Review

Prof. Aanchal Dwivedi*

Prof. Shilpa Gaidhani**

ABSTRACT

With increasing levels of stress, competition and insecurities in life, work-life balance issues have become extremely important. Employees are looking for ways that will help them balance between work and personal life effectively. Researchers have also identified that work-life balance leads to positive organizational outcomes (Agha, K., Azmi, F. T., & Irfan, A. 2017). Balancing the professional and personal life effectively plays a vital role in employees' mental and physical contribution towards their work. Work-life balance is a method or concept that helps employees to balance their personal and professional life. Employees with improper work-life balance have low job satisfaction and may have adverse effects on productivity. The aim of this study is to investigate the impact of work-life balance on employees' job satisfaction. Many researchers in their study discussed about the relationship between work-life balance and job satisfaction with its overall impact on organizational commitment which has been covered in literature review. It also emphasizes on the concept and significance of work-life balance and how it can increase the job satisfaction of employees.

Keywords: Work-life balance, job satisfaction

1. INTRODUCTION

Work-life balance is one of the important concern now-a-days as with the increased career targets and organizational goals on one hand and meeting family requirements and priorities on the other hand. Increased number of females entering into the professional world at its peak have emphasized on balancing the professional and personal life efficiently. These emerging issues motivated many researchers to find out the role of work-life balance and its impact on job satisfaction. In this conceptual study the concept of worklife balance is discussed and its impact on job satisfaction of employees.

1.1 Work-life Balance

Work-life balance is the optimal arrangement of an individual's on the job and the private time to

facilitate health and personal satisfaction without affecting adversely on productivity and professional success. It is a method or a concept that talks about how individual working as an employee of any organization manages to keep a proper balance between personal and professional life. It basically enables employee to divide their schedule as per the priority and put up the activities in such manner that he/she is able to devote time to family, health, vacation alongwith achieving career targets and professional assignments. **Work-life balance** is a broad concept including proper prioritizing between "work" (career and ambition) on one hand and "life" (health, pleasure, leisure, family and spiritual development) on the other. The research study covers the problem of how worklife balance has its impact on job satisfaction of employees.

* Assistant Professor, Sri Balaji University Pune. Pune-411033. *Email:* Aanchal.natural@Gmail.com Mob: 8953921434 (Orcid Id No: 0000-0002-4045-6737)

** Assistant Professor, Sri Balaji University Pune. Flat No. B-702, Gokhale Waves, Kala Khadak Road, Wakad, Pune-411033 *Email:* Shilpa.gaidhani@Gmail.com MOB: 9096848827

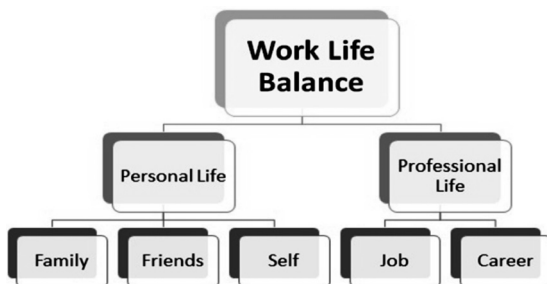
1.2 Benefits of work-life balance

There are several advantage of work life balance. Some of them are discussed below:

1. Work life balance increases the motivation of employees and helps them perform better at job.
2. It helps people to relieve their stress as they can spend leisure time with their near and dear ones
3. Companies can maximize productivity from an employee who is rejuvenated and refreshed as compared to a over worked employee.
4. Healthy lifestyles can be maintained by having a work life balance. This includes a good diet, regular exercises etc.
5. Employees who are highly motivated can help the business grow as they are more attached to their job and careers.

1.3 Importance of Work-life Balance

The concept of worklife balance has been given more importance with the passage of time as the balance between personal and professional life plays vital role in employees' efficiency as a whole. The worklife balance enables the employees to improve their quality of worklife as well as their personal life. The image below depicts how employee has to balance between personal and professional life along with its variables.



1.4 Job Satisfaction

Job satisfaction is defined as the level of contentment employees feel with their job. This goes beyond their daily duties to cover satisfaction with team members/managers, satisfaction with

organizational policies, and the impact of their job on employees' personal lives.

Job satisfaction has been defined in many studies. Cranny, Smith and Stone (1992, p.1) define job satisfaction as "employees' emotional state regarding the job, considering what they expected and what they actually got out of it. In fact, an employee with low expectations can be more satisfied with a certain job than someone who has high expectations. If one's expectations are met or exceeded by the job, then one is happy and satisfied with the job".

2. OBJECTIVE OF THE STUDY

1. To throw light on concept of work-life balance.
2. To explain the relationship between work-life balance and job satisfaction.
3. To find out the impact of improper work-life balance on job satisfaction.

3. RESEARCH METHODOLOGY

This study is based on systematic review for which the data is collected from secondary sources. The secondary sources used for conducting literature review are research papers, articles and comparative studies done by different authors. Other content was taken from internet.

4. LITERATURE REVIEW

It was predicted that perceived work-life balance fosters job satisfaction which leads to the organizational commitment among employees in the long run (Azeem, S.M., & Akhtar, N. 2014). Work-life imbalance has several negative impacts on employees' attitude and behavior and consequently results in decreased organizational performance. Therefore, WLB has been the focus many researches and organizational initiatives. In this study we examined the relationship between WLB, job satisfaction and turnover intention (Fayyazi, M., & Aslani, F. 2015). One of the research study has concluded that employees work and life balance affects employee's

satisfaction and their commitment with the organization. Those university employees having balance in their work and life are more satisfied with their job. So it is proved that relationship exist in WLB, JS and OC (Arif, B., & Farooqi, Y. A. 2014).

It can be concluded that all individuals have different requirements at different stages in their life and therefore the concept of work life assumes different meaning at each of these junctures. As per findings from the previous researches the independent variables which we are use to determine the banks employee's perception towards WLB as a whole is proven to be related to job satisfaction (Kumari, L. 2012). In organizations where employees perceive that work-life balance policies like flexibility, family-friendly benefits, work-life programmes and initiatives exist, it shows that employers are interested in the benefit and well-being of their employees. We can safely conclude that work and personal life need to be integrated in a smooth manner and should not be left to impact on each other in a negative way (Agha, K., Azmi, F. T., & Irfan, A. 2017).

The study has provided an empirical evidence for linking employees' perception about their job satisfaction and work-life balance to task performance, thus providing support for a key theoretical proposition of social exchange theory. This study found a strong support for the direct effect of job satisfaction and work-life balance on task performance of employees (Krishnan, R., Loon, K. W., & Tan, N. Z. 2018). The results of the above analysis can also be seen that 3 indicators of the work-life balance variable have a negative influence on job satisfaction, namely working hours, working conditions, and work pressure, but only work pressure has a significant negative effect, while positive effects can be seen in indicator of change of job and work-life balance programs and both have a significant influence on job satisfaction (Kasbuntoro, D. I., Maemunah, S., Mahfud, I., Fahlevi, M., & Parashakti, R. D. 2020).

Young employees with the capacity to find appropriate balance between work and family commitments appear to be the productive ones. Accordingly, organizations that offer adequate opportunities to their employees in managing their work and family roles will in turn reap the benefit from their employees showing stronger level of performance. Having a healthy work-life balance facilitates employees in performing her/his consigned tasks in more effective and efficient manner (Adnan Bataineh, K. (2019).

Organizational climate and demographic differences affect employees' needs for WLB initiatives and their willingness to use them. The relationship between WLB and organisational outcomes is a complex one and future research needs to examine this further but this study has demonstrated that an organisational culture that is supportive of WLB will influence whether initiatives are used, reduce conflict between the work domain and the home domain, and result in employees who are committed and less likely to leave in search of other jobs (Smith, J., & Gardner, D. 2007.) In organizations and on the home front, the challenge of work/life balance is rising to the top of many employers' and employees' consciousness. In today's fast-paced society, human resource professionals seek options to positively impact the bottom line of their companies, improve employee morale, retain employees with valuable company knowledge, and keep pace with workplace trends. Work/life programs have the potential to significantly improve employee morale, reduce absenteeism, and retain organizational knowledge, particularly during difficult economic times (Lockwood, N. R. 2003).

5. WORK-LIFE BALANCE AND JOB SATISFACTION

Work-life balance and job satisfaction has an effective relationship as the level of good or bad work-life balance affects the level of job satisfaction of employees. Employees who are



able to balance their professional life and can devote equal time to family as well are mentally satisfied and free from any kind of dissatisfaction. This enables them to improve their efficiency and are highly motivated towards their work which is a result of job satisfaction. On the other hand if employees are not able to devote their time to family due to excessive workload then somewhere they may not be happy and reduce their productivity with the passage of time which ultimately leads to low level of job satisfaction. Some of the factors affiliated to work-life balance affecting job satisfaction are-

5.1. Working hours

Time balance is the balance maintained by a person between career and family. Working hours of any organization plays crucial role in this as the long working hours may affect employees' ability balance his personal life which ultimately brings him/her to low level of job satisfaction.

5.2. Working conditions

Unhealthy and unfair office environment may also affect the employees psychologically and he/she may get discouraged towards their work and ultimately is not able to work efficiently and hence cannot balance both personal and professional life.

5.3. Work pressures

Working pattern, workload and task assignment sometimes can lead to both conflict in work as well as conflict in personal life. This happens mostly when the employees are given back to back assignments with equal expectations. This sometimes puts employees into pressure which then affects on their productivity and efficiency.

6. STRATEGIES TO IMPROVE WORK-LIFE BALANCE

As we have been discussing about the role of work-life balance and its impact on job

satisfaction, here are some of the strategies that organizations may use to improve work-life balance that can have positive impact on job satisfaction of employees.

6.1. Distribution of equal workload

If any employee feels that they are overloaded listen to them and try to resolve. Employees who are overloaded with too many tasks may start becoming inefficient and has a feeling of dissatisfaction within them. On the other hand, employees who are not assigned with challenging tasks and crucial responsibilities may have a feeling as he/she is not capable of doing it and hence feels low towards their job. Therefore equal distribution of workload plays vital role in improving the work-life balance of employees.

6.2. Provide Development Resources

Another way of improving work-life balance and job satisfaction is to give them an opportunity to develop their skills. By strengthening skills on-the-job employees would be able to engage with their work in a deeper way and enjoy their work. Employees having good relationship with their work improves their work-life balance.

6.3 Offer Flexible Work Engagements

Flexible work engagements plays very crucial role in improving work-life balance of employees such as work from home, rotational shifts etc. These arrangements can motivate employees at high level as they can balance their personal and professional life in more efficient way and will definitely live how their organization is empowering their ability to balance their home life more easily with their working life.

6.4. Use Technology

Use efficient and effective technology tools aimed at streamlining the work and improving work-life balance of your employees. Apart of this, well integrated technology tools can boost productivity and reduce time spent on manual work.

6.5. Employees' Family Involvement activities

Most of the companies now-a-days started engaging the families of the employees at some official events and get together. Organizing some competitions inviting families of their employees. Such activities and events increases the sense of belongingness among employees and also ensures the sense of concern towards the family of employees. This also promotes work-life balance to a great extent that ultimately leads to high level of job satisfaction.

7. MANAGERIAL IMPLICATIONS OF THE STUDY

This study suggests that work-life balance plays a very effective role in the day-to-day life of employees and employers both as for being productive consistently one has to be mentally satisfied in terms of his ability to manage his personal life and professional life simultaneously. Employees who are able to overcome their work conflicts with personal conflict are found to be satisfied with their job and committed towards the organization. Management of various organizations are promoting work-life balance for the well being of their employees and increasing their job satisfaction.

REFERENCES

- Azeem, S. M., & Akhtar, N. (2014). The influence of work life balance and job satisfaction on organizational commitment of healthcare employees. *International Journal of Human Resource Studies*, 4(2), 18.
- Fayyazi, M., & Aslani, F. (2015). The impact of work-life balance on employees' job satisfaction and turnover intention; the moderating role of continuance commitment. *International Letters of Social and Humanistic Sciences*, 51, 33-41.
- Arif, B., & Farooqi, Y. A. (2014). Impact of work life balance on job satisfaction and organizational commitment among university teachers: A case study of University of Gujrat, Pakistan. *International journal of multidisciplinary sciences and engineering*, 5(9), 24-29.
- Kumari, L. (2012). Employees perception on work life balance and its relation with job satisfaction in Indian public sector banks. *International Journal of Engineering and Management Research*, 2(2), 1-13.
- Agha, K., Azmi, F. T., & Irfan, A. (2017). Work-life balance and job satisfaction: An empirical study focusing on higher education teachers in Oman. *International Journal of Social Science and Humanity*, 7(3), 164..

8. FINDINGS OF THE STUDY

- Work-life balance seems to be significant in encouraging organizational commitment among employees.
- Improved work-life balance has positive impact on employees' job satisfaction.
- Employees who are not able to balance their personal and professional life at their workplace tend to quit the job or become less productive.

9. CONCLUSION

According to this study work-life balance has a great influence on increasing job satisfaction of employees. As the job satisfaction plays important role in improving employees' performance, work-life balance becomes very effective tool in increasing employees' job satisfaction. Employees who encounter consistent conflict between their personal and professional life are found to have negative impact on their level of job satisfaction and start losing interest in their job. Organizations are required to identify the need of work-life balance and also promote it by incorporating the strategies discussed in this study to encourage the employees towards their job with high level of job satisfaction. Work-life balance is an effective driver of increasing job satisfaction and also employee morale.



- Krishnan, R., Loon, K. W., & Tan, N. Z. (2018). The effects of job satisfaction and work-life balance on employee task performance. *International Journal of Academic Research in Business and Social Sciences*, 8(3), 652-662.
- Rani, S. V., & Mariappan, S. (2011). Work/life balance reflections on employee satisfaction. *Serbian Journal of Management*, 6(1), 85-96.
- Kasbuntoro, D. I., Maemunah, S., Mahfud, I., Fahlevi, M., & Parashakti, R. D. (2020). Work-Life Balance and Job Satisfaction: A Case Study of Employees on Banking Companies in Jakarta. *International Journal of Control and Automation*, 13(4), 439-451.
- Adnan Bataineh, K. (2019). Impact of work-life balance, happiness at work, on employee performance. *International Business Research*, 12(2), 99-112.
- Smith, J., & Gardner, D. (2007). Factors affecting employee use of work-life balance initiatives.
- Lockwood, N. R. (2003). Work/life balance. *Challenges and Solutions, SHRM Research, USA*.

Journal Subscription Form

I wish to subscribe to the “SAARANSH-RKG JOURNAL OF MANAGEMENT” for the period of:

One Year

Two Years

Three Years

I am enclosing Demand Draft/Cheque number
dated drawn in favour of 'Raj Kumar Goel Institute of Technology' for
Rs. payable at Ghaziabad.

1. Name
2. Name of the Organization
3. Mailing Address
4. City State Pin Code
5. Phone Mobile
6. E-mail
7. Current Subscription No. (For renewal orders only)
8. Subscription Rate

	One Year	Two Years	Three Years
Individual	Rs. 500	Rs. 900	Rs. 1200
Institutional	Rs. 1000	Rs. 1800	Rs. 2500
Individual (Overseas)	US \$ 50	US \$ 90	US\$ 120
Institution (Overseas)	US \$ 75	US \$ 100	US \$ 125

Rs. 50/- should be added of outstation cheques in India.

Mail to:

Dr. Ashish Kr. Singh

Editor 'SAARANSH'

Raj Kumar Goel Institute of Technology

5 km Stone, Delhi-Meerut Road, Ghaziabad (U.P.) 201003, INDIA

Tel.: 0120-2788273, 6517163, 2788409, Fax: 0120-2788350/447, 9811276227, 8588831328

Email: saaransh@rkgit.edu.in Website: <http://www.rkgit.edu.in>





Guidelines For Contributors

The author should follow the following instructions while preparing the manuscript.

- The paper should be about 8000-10000 words in length. The author(s) should submit the manuscript, typed in two space on A4 size bond paper allowing 1-inch margin on all sides in PC compatible MS-word document format at saaransh@rkgit.edu.in
- The author should provide confirmation that– The article is the original work of the author(s). It has not been earlier published & has not been sent for publication elsewhere.
- Figures, charts, tables and diagrams should be placed at their original position in flow and numbered in a single sequence. Please mention their number at appropriate places within the text.
- References must be kept to a bare minimum. The references must be quoted in the text using American Psychological style of referencing. The references section should be a continuous alphabetical list. Journal's names and book title should be in Italicized style.

Books: The order of information should be as in the following example:

Srivastava, V (2011), *Marketing Research Theory & Concept*, New Delhi, ABP Publication.

Journal papers and book chapters: The order for reference to articles/chapters of books should be as in these examples:

Prakash. J. (ed), *Privatization of Public Enterprises in India*, Mumbai, Himalaya Publishing House, p 212.

- The Editors reserve the right to accept or refuse the paper for publication, and they are under no obligation to assign reasons for their decision. Authors will receive a complimentary copy of the journal in which their articles are published.
- The work published in the journal should not be reproduced or reprinted in any form, without the prior permission from the editor.
- Author(s) will be solely responsible for any plagiarism, copyright, commercialism issues in the manuscript.
- Journal follows blind peer review procedure, so authors are requested not to mention their name or any identification in the manuscript.
- Author will take permission for reprint of any previously published matter containing figure(s), table(s) or text passages, if used in manuscript.
- Manuscript should include an abstract of about 200 words (max) containing purpose, design methodology /approach, finding, implication and should not include any video, figure, abbreviation with 3-6 keywords.
- Author(s) are requested to acknowledge about financial support, if they received from any organisation for the conduction of their research work in the manuscript.
- Author(s) are requested to follow rules mentioned on Publication ethics and Publication malpractices statements available on website.

Research Paper Selection Process

Authors can send their paper up to October and April for the issue of January and July respectively. When a manuscript is received, the editor first completes a preliminary screening of the manuscript. For the initial review, the editor assigns two reviewers to each manuscript. The editor makes publication decisions about it. However, these decisions are made in conjunction with recommendations given by members of the Editorial Board or other qualified reviewers. **All submissions will be blind reviewed**



RAJ KUMAR GOEL INSTITUTE OF TECHNOLOGY

(Approved by AICTE, Ministry of HRD, India & Affiliated to Dr. APJ Abdul Kalam Technical University, Lucknow)

AN ISO 9001:2015 CERTIFIED INSTITUTE

(Best Engineering College in Ghaziabad adjudged by Big Brand Research Pvt. Ltd. in 2011)

“It is not Color of balloon, It is what is inside that make it go up”

-Mr Shiv Khera

RKGIT, with state of art infrastructure, enriched Experienced Faculties, best facilities and commitment towards excellence enable our students to gain the maximum possible career growth.



- Low-Floor Buses
- ATM at doorstep
- Doctor & Medical Facilities
- 24-Hrs Ambulance Services
- Well equipped Gymnasium
- Cafeteria
- Multi-stadium



Providing an academic focused environment to inject technical & professional skills among students & Faculties

- Advanced Professional Communication Lab
- Latest configured & Updated Computer Centre
- Mechanical, Electronic & other Labs



TOPPERS/RANK HOLDERS AKTU LUCKNOW



Ms. Laxmi Rajput
Uni. Topper, MBA
Batch 2015-17



Pooja Tripathi
2nd Rank, ME Deptt.
Year 2012-13



Archana
10th Rank, EN Deptt.
Year 2012-13



Priyanka Khurana
19th Rank, MBA
Year 2012-14



Akansha Arya
2nd Rank, EN Deptt.
Year 2012-13



Ravin Singh
4th Rank, MCA Deptt.
Year 2012-13



Kriti Saxena
4th Rank, AEI
Year 2013-14



Vishaka Garg
17th Rank, EN Deptt.
Year 2013-14

RKGIT, a torchbearer to provide the skills and growth to the future of nation.....

PLACEMENT SNAPSHOTS



RAJ KUMAR GOEL INSTITUTE OF TECHNOLOGY

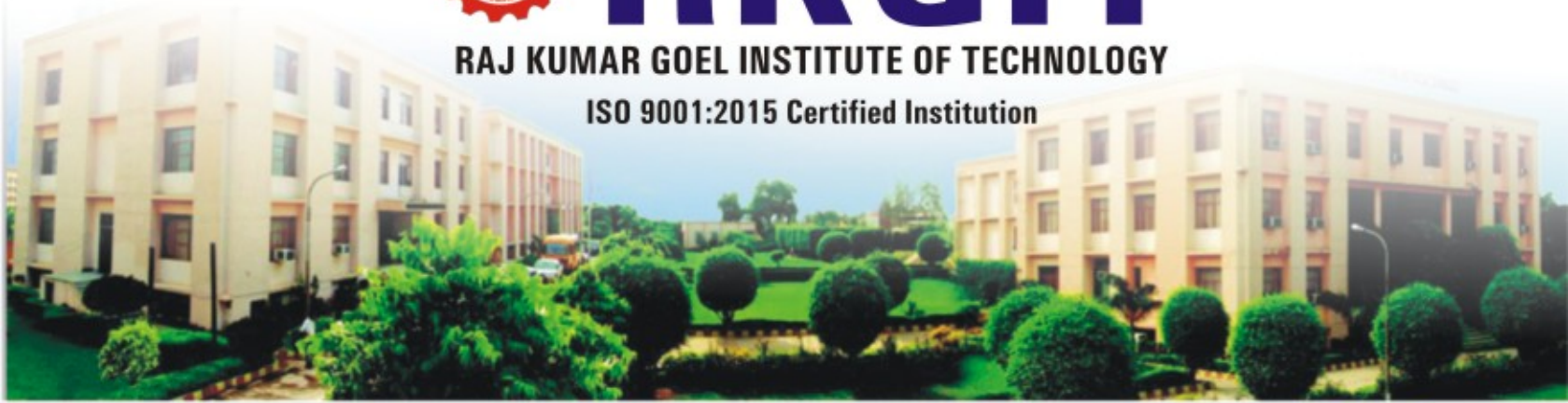
5 km Stone, Delhi-Meerut Road, Ghaziabad-201003, INDIA. Phones : 0120-2788273, 2784224 Fax : 0120-2788350/447
M.: 9582949143-44, 8588831329-30 for further information visit us at www.rkgit.edu.in



RKGIT

RAJ KUMAR GOEL INSTITUTE OF TECHNOLOGY

ISO 9001:2015 Certified Institution



Founder
Late Shri Raj Kumar Goel Ji

Commandment

From The Founder

We are building our Institute as an ideal family, the RKGIT PARIWAR where members strive for the development, well being and promotion of each other.

अज्ञानेनावृतं ज्ञानं ।

श्रीमद् भगवत् गीता अध्याय 5, श्लोक 15



A sprawling campus of more than 27 acres has been aesthetically designed in a pollution free environment as an entirely self contained academic township. RKGIT is approved by AICTE, New Delhi and affiliated to Dr A P J Abdul Kalam Technical University, Uttar Pradesh, Lucknow.

The Academic Programs:

RKGIT offers the followings professional courses:

- Information Technology
- Mechanical Engineering

Bachelor of Technology (B. Tech)

(Four-Year degree course)

- Civil Engineering
- Computer Science & Engineering
- Computer Science & Engineering (Internet of Things)
- Computer Science & Engineering (Artificial Intelligence & Machine Learning)
- Computer Science & Engineering (Data Science)
- Electrical and Electronics Engineering
- Electronics & Communication Engineering

Bachelor of Pharmacy (B. Pharm.)

Master of Business Administration (MBA)

(Two years Post Graduation Course)

Master of Pharmacy (Pharmaceuticals)

M Tech (Electronics & Comm. Engineering)



For Cloud Computing, Big Data and Internet of Things (IoT)

RAJ KUMAR GOEL INSTITUTE OF TECHNOLOGY

5 km Stone, Delhi-Meerut Road, Ghaziabad-201003 (UP) INDIA.

Phones : 0120-2788273, 2784224, 6517163 Fax : 0120-2788350 Website : www.rkgit.edu.in