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OF BUSINESS MANAGEMENT  
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# LEADING TOWARDS MANAGEMENT



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## Financial Inclusion in Some Selected South Asian Countries: Measuring Gender Disparity in Account Ownership

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### Abstract

At the world level, account ownership has reached 76 per cent of the universal population, of which 71 per cent are from developing countries. The average account ownership rate in developing economies rose by eight percentage points, from 63 to 71 per cent, between 2017 and 2021. Further, the gender gap in developing economies in account ownership has shrunk from its long-standing level of 9 to just six percentage points. Millions of individuals around the world are still unbanked despite this development. This study's primary goal is to evaluate the gender gap in account ownership in South Asian nations. The paper has investigated 6 of the nine South Asian countries polled in 2011, 2014, 2017, and 2021. The study has used secondary data from the Global Findex Database.

**Keywords:** [Global Findex Database, Account Ownership, Gender Gap, Developing]

### Introduction

The World Bank (2018) defines financial inclusion: "Individuals and businesses have access to useful and affordable financial products and services that meet their needs like transactions, payments, savings, credit, insurance which are delivered in a responsible and sustainable way." The key to enabling men and women to use financial services in a way that supports development is account ownership, the core indicator of financial inclusion. Account holders can send, receive, and store money, allowing them to invest in their health, education, and businesses. Account holders can do this whether their accounts are with a bank or a regulated institution like a credit union, microfinance institution, or mobile money service provider. It is simpler for account holders to rely on savings or borrow money from friends or family in the case of a financial emergency, such as a loss of income or crop failure. It equips the account holders with a better way to avoid falling into poverty. Instead, people without an account must manage their money using informal mechanisms, which may be less secure, less dependable, and more expensive than formal methods. Evidence suggests that households and businesses with access to financial services like payments, savings accounts, and credit are better able to withstand financial shocks than their counterparts. In 2021, 76 per cent of adults held an account with a bank or other regulated organisation.

Account ownership climbed from 51 to 76 per cent of adults worldwide in the ten years from 2011 to 2021. In

developing economies, the average account ownership rate rose by eight percentage points between 2017 and 2021, from 63 to 71 per cent of the adult population. The growth in Sub-Saharan Africa is primarily attributable to the uptake of mobile money. Numerous developing economies have experienced a recent increase in account ownership. However, it is concentrated primarily in China or India. Despite this progress, gaps exist in financial services for the underserved sections of society, such as women, the poor, and those with lower levels of education. For instance, the gender disparity in account ownership across developing economies stands at six percentage points. Saving money and accumulating savings is safe with accounts.

Additionally, savings make transferring or receiving remittances, paying bills, obtaining credit, and making purchases simpler. Account ownership in the 123 economies surveyed ranged from 6 per cent in South Sudan to 100 per cent in high-income economies like Canada, Germany, and the United Kingdom. Account ownership in India increased from 35 per cent in 2011 to 78 per cent in 2021. The Indian government introduced biometric identity cards to increase adult non-banking account ownership in 2014, which partially helped increase account ownership.

Over longer periods, some economies saw significantly smaller growth. For instance, Pakistan's growth over the past ten years was only 11 percentage points, going from 10 per cent in 2011 to 21 per cent in 2021. The sources of account ownership growth worldwide

have likewise evolved and grown in recent years. Account ownership in 62 out of 123 economies increased by more than five percentage points between 2017 and 2021, including more than ten percentage points in 34 economies. In contrast, a rapid expansion of 27 percentage points in account ownership took place in India between 2014 and 2017. Account ownership increased by eight percentage points in developing economies over the same period, rising from 55 per cent in 2014 to 63 per cent in 2017. Account ownership, excluding India, increased merely by 3 per cent, from 55 to 58 per cent, from 2014 to 2017. For example, 186 of the 467 million newly banked individuals in developing economies in 2017 lived outside of India, but 527 million of the 567 million newly banked adults in developing economies in 2021 did. Seventeen developing economies provided 284 million of the additional increase in recent years.

### Literature Review

**Balasubramanian et al. (2018)** studied that their status as landowners significantly influences women's demand for and use of essential financial services. According to the findings, formal account ownership and savings strongly associate with land ownership by women alone, but formal and informal credit does not. Women are more likely to use formal credit when a family member, particularly a man, supports them. Credit was denied to women when they did not own any land, regardless of the wealth quintile to which they belonged. Additionally, the results demonstrate that women in higher wealth quintiles are more active credit seekers.

**Chaudhuri et al. (2020)** investigated the impact of owner gender on firm performance and institutional loan access using a large dataset on micro, small, and medium-sized businesses in India. The study discovers a considerable underperformance in female-owned firms' size, growth, and efficiency. Their findings further support the idea that women-owned businesses face disadvantages in the market for small-business loans, which is consistent with the data in the body of research. According to these findings, closing the performance difference between male- and female-owned businesses may be possible partly by eliminating gender discrimination in the small company lending market.

**Aterido et al. (2013)** examined if there is a gender gap in Sub-Saharan Africa regarding the use of financial services by enterprises and people. They revealed the existence of an unconditional gender gap by pointing out that men utilise financial services on average more

than women. However, gender disparity vanishes in the case of critical observable traits of businesses or people. Female-owned businesses are smaller, younger, and less likely to be sole proprietorships than their male counterparts. In addition, they are more likely to innovate and are more common in industries that rely less on access to outside financing. These differences in key characteristics and a potential selection bias help us to explain our findings in the case of businesses. In the case of individuals, gender differences in other aspects of the usage of financial services, such as their lower level of income and education, as well as their household and work status, can be used to explain why women use formal financial services less frequently. Investigating why people choose not to apply for banking or are not banked reveals that traditional bank barriers, such as higher interest rates, and a lack of a formal job or source of income, are more restrictive for women than for men. This shows that there is neither an intrinsic lower demand for women nor discrimination based on preference, depending on their observable qualities.

Globally, around 1.7 billion adults (31 per cent of adults) do not have a basic transaction account, and nearly half of these unbanked persons are women from low-income households in rural regions, according to the World Bank's 2018 report on financial inclusion. In order to analyse 13 of the 16 West African countries polled in 2011, 2014, and 2017, this study used secondary data from the Global Findex Database. The study found unequal distribution in ownership of accounts by gender. Women in all West African nations had lower financial inclusion than their male counterparts, and this discrepancy in official account ownership only widens with time (Mbah, 2020). Mobile devices can improve patient-provider communication, expand access to health information, and affect the kind and standard of healthcare. There is little data on the gender disparity in mobile phone ownership. No attempts were made to connect female phone ownership to practises for reproductive, maternal new born and child health (RMNCH) or care-seeking. In 15 countries where phone ownership data from demographic and health surveys are available, this analysis intends to evaluate household and women's access to phones and its effects on RMNCH health outcomes. The factors influencing women's phone ownership and the correlation between phone ownership and various RMNCH indicators were investigated using multilevel logistic regression models (**E LeFevre et al., 2020**).

**Nandru et al. (2016)** investigated how having a bank account and using banking services affect financial inclusion. The study took ownership of bank accounts as the dependent variable and the income level, age, gender, employment position, and education level as independent variables. Based on a field inquiry of the Union Territory of the Pondicherry region of India, the study surveyed the respondents using a structured questionnaire. The findings show that income level and education significantly affect financial inclusion, as shown by bank account ownership.

**Objective**

This paper evaluates the gender gap in account owner-

ship in South Asian countries.

**Research Question**

Does the gender gap exist in account ownership in South Asian countries?

**Methodology**

The study is based on secondary data. The Bill & Melinda Gates Foundation developed the Global Findex database, published every three years since 2011, and this study has used the raw data from that database. This study's population is South Asian countries (9 countries), and the sample size is limited to the south Asian countries (6 countries) included in the Global Findex database for 2011, 2014, 2017 and 2021.

**Results and Discussion**

**Table: 1 Gender Distribution in Account Ownership in South Asian Countries**

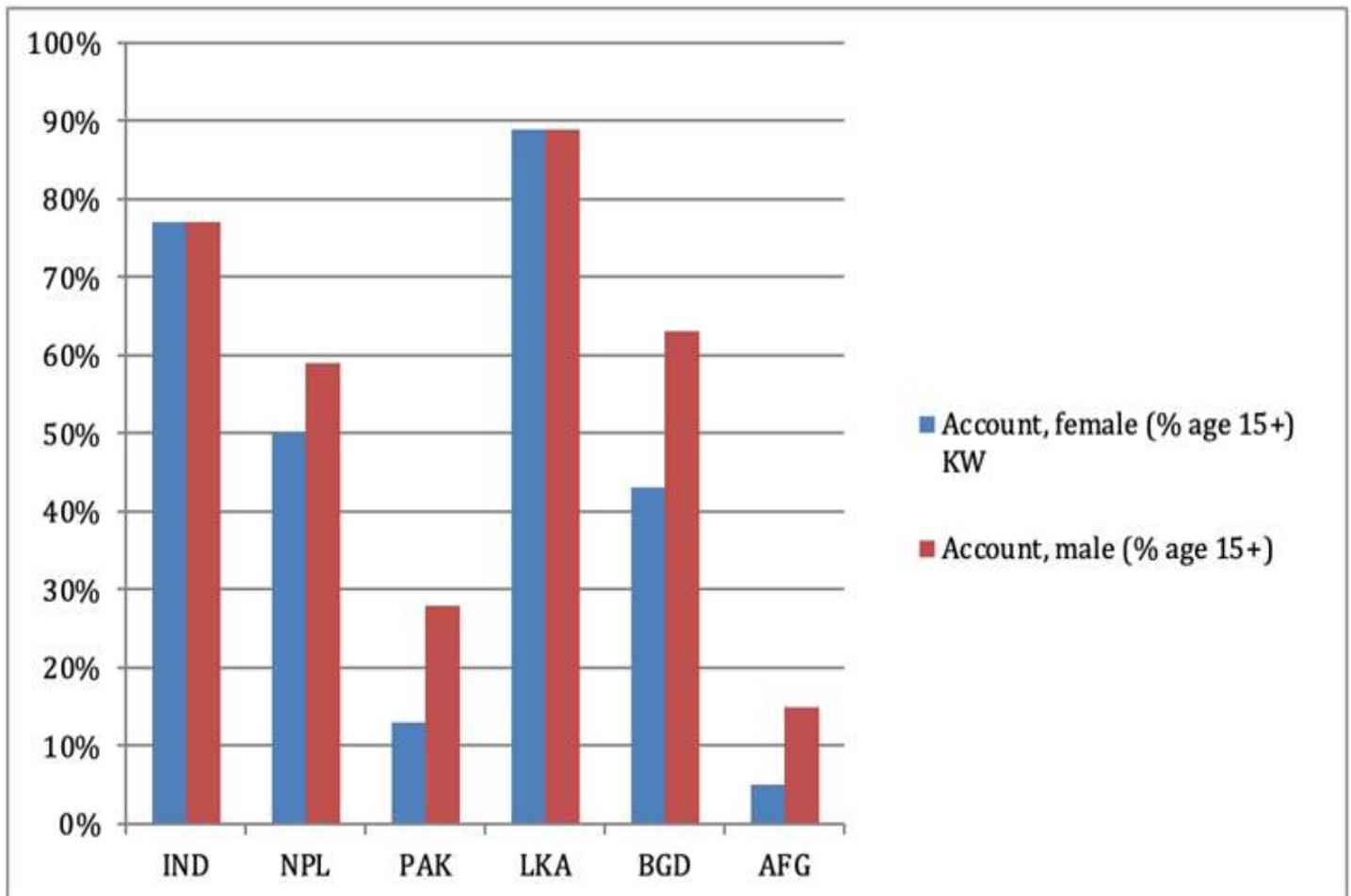
Country	Survey year	Account, female (% age 15+)	Account, male (% age 15+)	Difference between male and female
India	2011	26	44	18
	2014	43	62	19
	2017	77	83	6
	2021	77	77	0
Nepal	2011	21	30	9
	2014	31	37	6
	2017	42	50	8
	2021	50	59	9
Pakistan	2011	3	17	14
	2014	5	21	16
	2017	7	35	28
	2021	13	28	15
Sri Lanka	2011	67	70	3
	2014	83	82	-1
	2017	73	74	1
	2021	89	89	0
Bangladesh	2011	26	37	11
	2014	26	35	9
	2017	36	65	29
	2021	43	63	20
Afghanistan	2011	3	15	12
	2014	4	16	12
	2017	7	23	16
	2021	5	15	10

Source: The Global Findex Database, 2021

The table above demonstrates unequivocally that gender differences in account ownership persist across all South

Asian nations. Surprisingly, the statistics suggest that as time passes, the disparity between men and women in access to formal accounts widens even further. In India, the difference in account ownership was 18 per cent in 2011. It rose to 19 per cent in 2014 and then decreased to 6 per cent in 2017. The difference became zero in 2021. Furthermore, in Pakistan, this difference was 14, 16, and 28 per cent in 2011, 2014 and 2017, respectively. It decreased to 15 per cent in 2021. In Sri Lanka, the difference in account ownership was 3, -1 and 1 per cent in 2011, 2014, and 2017, respectively. This difference was over in 2021. In Bangladesh, this difference was 11, 9, and 29 per cent in 2011, 2014, and 2017, respectively. It got reduced to 20 per cent in 2021. Similarly, in Afghanistan, it was 12 per cent in 2011, increasing to 16 and 10 per cent in 2017 and 2021, respectively.

**Figure 1: Gender Disparities in Account Ownership in South Asian Countries in 2021**



Sources: Calculated from Global Findex Database 2021.

The figure shows the disparity in account ownership between men and women in 2021. India and Sri Lanka revealed zero inequality in 2021. Inequality remains in the rest of the South Asian countries. This difference is 9, 15, 20 and 10 per cent in Nepal, Pakistan, Bangladesh and Afghanistan, respectively.

### Conclusion

Despite the years' worth of conversations about the promotion of gender equality, our table demonstrates that disparity has increased, particularly in developing nations. The difference between account ownership in South Asian countries kept changing over time.

In 2021, this difference became zero in India and Sri Lanka, while it existed in other countries. According to this study, there is a gender gap in formal account ownership, women in South Asian countries are less financially involved than males, and this gender gap in formal account ownership widens with time. However, this study is only limited to some selected South Asian nations and uses only gender as a variable to assess account ownership discrepancy. Income inequality in account ownership and other areas of Asia may be the focus of future research. Financial inclusion increased to a great extent in 2021 as compared to 2011. Nevertheless, financial inclusion is still low in some countries.

Furthermore, the difference between men and women still exists.

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## Social Media Intervention in the Digital Marketing: Recent Trends and Opportunities

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### Abstract

Social media has become an integral part of digital marketing strategies for businesses of all sizes. Social media allows businesses to reach their target audience in a more personal and interactive way. Platforms such as Facebook, Instagram, and Twitter offer features such as comments, shares and direct messaging, which allow businesses to engage with their audience and build relationships. This can lead to increased brand loyalty and customer retention. Social media is the cost-effective way to reach a large audience. Traditional forms of advertising, such as television and print ads, can be expensive and may not reach the desired target audience. Social media, on the other hand, allows businesses to target specific demographics, such as age, location, and interests, at a fraction of the cost. Thus, social media is an essential tool for businesses looking to enhance their digital marketing efforts. With its vast audience, cost-effectiveness, and ability to measure success, social media offers a powerful way for businesses to connect with and engage their target audience. By leveraging the features and tools offered by different platforms, businesses can create effective campaigns that drive growth and increase their bottom line. In this article, we will explore the various ways in which businesses can use social media to enhance their digital marketing efforts. The article will also highlight the recent trends in social media usage by Indian marketer, its benefits and the challenges ahead along with some suitable suggestions to overcome these challenges.

**Keywords:** [Social Media, Digital Marketing, Marketing, Facebook, Instagram]

### Introduction

Social media is a powerful tool for businesses looking to enhance their digital marketing efforts. With its vast audience, cost-effectiveness, and ability to measure success, social media offers a powerful way for businesses to connect with and engage their target audience. As the number of active social media users continues to grow, it is more important than ever for businesses to have a strong presence on social media in order to reach and engage their target audience cost.

Social media also offers businesses a way to measure their marketing efforts and track the success of their campaigns. Platforms such as Facebook and Instagram provide analytics that show businesses how many people have seen their posts, how many have engaged with them, and what type of engagement they received. This data can be used to adjust and improve future campaigns. Another advantage of social media is that it allows businesses to showcase their products and services in a creative and engaging way. Platforms such as Instagram and Pinterest offer businesses the opportunity to share images and videos of their products, which can be a powerful way to attract and retain customers. Businesses can also use social media to host contests and giveaways, which can increase engagement and encourage customers to share their experiences with friends and family.

Social media also allows businesses to listen to their customers and respond to their needs. Platforms such as Twitter and Facebook allow businesses to monitor men-

tions of their brand and respond to customer complaints and questions in real-time. This can help businesses build trust and improve their reputation.

Thus, social media is an essential tool for businesses looking to enhance their digital marketing efforts. With its vast audience, cost-effectiveness, and ability to measure success, social media offers a powerful way for businesses to connect with and engage their target audience. By leveraging the features and tools offered by different platforms, businesses can create effective campaigns that drive growth and increase their bottom line.

### Literature Review

Here are a few studies on social media in digital marketing and their major findings:

**Goyal (2016)** found in his study that social media marketing has a positive effect on consumer behavior, increasing brand loyalty and purchase intent. The users are moving away from the traditional marketing channels and relying more on social media to retrieve the relevant information regarding their required product and services.

**Dankwa (2021)** investigated the effect of social media advertising on consumer decision-making including the emotional appeal, informativeness and advertising creativity of advertisement on consumer behaviour. The study recommended that firms must focus on crafting advertisements that are creative and informative in order to influence decisions that consumers make on so-

cial media platforms.

**Gupta et al. (2020)** This study found that social media plays a significant role in consumer purchasing decisions, with consumers using social media to research products, read reviews, and interact with brands before making a purchase. The study also found that social media has a greater impact on the purchasing decisions of younger consumers.

**Devia et al. (2022)** found that social media marketing has a positive impact on sales performance, with businesses that use social media marketing seeing increased sales and revenue compared to those that do not. The study also found that businesses that use a well-coordinated, multi-platform approach to social media marketing see the greatest results.

**Anand and Krishna (2017)** studied that Social media marketing has a significant impact on consumer behavior, including purchase decisions and brand loyalty. Hye Jin Yoon (2011) found that social media has become an important source of information for consumers in the decision-making process. Tingting Fan (2016) is of the view that social media marketing can increase purchase intentions by creating brand awareness and building trust with consumers.

**Brennan and Chen (2013)** in their study found that social media is a powerful tool for businesses to reach their target audience and achieve marketing goals.

Sahoo and Barik (2015) have analysed that social media has transformed marketing strategies by enabling businesses to directly engage with their target audience and receive immediate feedback.

**Dasgupta and Das (2020)** states that social media marketing is an important research area with significant implications for both theory and practice, and there is a need for further research to fully understand its effects. These studies highlight the importance of social media in digital marketing, and suggest that businesses can reap significant benefits by effectively utilizing social media to reach and engage with consumers.

#### **Objectives of the Paper: The paper aims**

1. To give an in-depth insight to the concept of social media use in digital marketing and the recent trends
2. To highlight the social media marketing being used by Indian marketers
3. To delve into the benefits and challenges of using social media for digital marketing
4. To give some suitable recommendations to further promote the social media marketing safely and effectively.

#### **Data Sources and Research Methodology**

The study, being the descriptive study, is based upon the relevant literature and secondary data available on various online data bases such as statista.com and some other websites. Simple statistics of percentages and frequency distribution have been used.

#### **Recent Trends in Social Media as a Tool for Digital Marketing**

Social media has become an essential tool for businesses looking to enhance their digital marketing efforts. According to a survey conducted by the Social Media Examiner, 96% of marketers believe that social media is important for their business. Additionally, a survey by Hubspot found that 71% of small businesses reported that they use social media to generate leads.

**Table 1. Social Media Users Worldwide**

Years	No. of Social Media Users (billion)
2017	2.73
2018	3.1
2019	3.51
2020	3.9
2021	4.26
2022	4.59
2023	4.89
2024	5.17
2025	5.42
2026	5.64
2027	5.85

Source: Statista 2023

The use of social media for business purposes is also on the rise, with the number of active social media users projected to reach 5.85 billion in 2027. This represents an increase of 89% from 2020. As a result, it is more important than ever for businesses to have a strong presence on social media in order to reach and engage their target audience.

In terms of ROI, social media advertising has been found to be one of the most effective forms of digital advertising. According to a survey conducted by AdEspresso, social media advertising has an average ROI of \$18 for every \$1 spent. This is compared to an average ROI of \$2 for every \$1 spent on traditional forms of advertising such as television and print ads.

In addition, social media has been found to be an effective

tool for improving brand awareness and customer engagement. A survey by Sprout Social found that 70% of consumers are more likely to purchase from a brand they follow on social media. Moreover, 82% of consumers reported that they are more likely to trust a brand that has a strong social media presence.

Social Media Trends in Indian Digital Marketing Social media has become an essential tool for businesses looking to enhance their digital marketing efforts in India. The number of active social media users in India is projected to reach 829 million by 2023, making it a key market for businesses looking to reach and engage their target audience. Following are the top social media apps being used in India:

**Table 2. Top Social Media Apps and their Users in India, 2020**

App Name	Active Users per Day	Link
Facebook	2.934 billion	<a href="https://www.facebook.com/">https://www.facebook.com/</a>
Instagram	230.25 million	<a href="https://www.instagram.com/">https://www.instagram.com/</a>
Snapchat	332 million	<a href="https://www.snapchat.com/">https://www.snapchat.com/</a>
LinkedIn	830 million	<a href="https://www.linkedin.com/">https://www.linkedin.com/</a>
Twitter	237.8 million	<a href="https://twitter.com/">https://twitter.com/</a>
WhatsApp	487 million	<a href="https://www.whatsapp.com/">https://www.whatsapp.com/</a>
Telegram	214 million	<a href="https://telegram.org/">https://telegram.org/</a>
Moj	160 million	<a href="https://mojapp.in/">https://mojapp.in/</a>
Share Chat	1.17 billion	<a href="https://sharechat.com">https://sharechat.com</a>

Source: <https://www.91mobiles.com/hub/best-social-media-apps-in-india>

The above table shows the no. of active users per day on different social medias. Facebook is the top most social media having maximum number of users on daily basis followed by Instagram, Snapchat, LinkedIn, Twitter and WhatsApp. On the basis of their usage by the people, the most of the business houses have started using these platforms for advertising and marketing their brands.

**Table 3: Most Favourite Social Media Platforms Used by Business Houses**

Sr. No	Social Media	% of Business Houses Using the Social Media
1.	Facebook	88%
2.	Instagram	71%
3.	Twitter	61%
4.	LinkedIn	55%
5.	Pinterest	27%

Source: Statista.com

Facebook is the most popular social media platform among businesses, with 88% of them using it for their marketing efforts. Instagram is the second most popular platform, with 71% of businesses using it. Twitter, LinkedIn, and Pinterest are also popular platforms, with 61%, 55%, and 27% of businesses using them respectively.

Here are some of the current social media trends in Indian digital marketing:

- **Video Content:** Video content has become increasingly popular on social media platforms in India, with platforms such as YouTube and TikTok seeing a significant increase in usage. Video content has been found to be particularly effective for engaging with younger audiences.
- **Influencer Marketing:** Influencer marketing has become increasingly popular in India, with businesses leveraging the reach and engagement of social media influencers to promote their products and services. Influencer marketing has been found to be particularly effective in the fashion, beauty, and lifestyle sectors.
- **Short-Form Video Platforms:** Short-form video platforms such as TikTok and Chingari have become increasingly popular in India, with users

spending an average of 52 minutes per day on these platforms. As a result, businesses are starting to leverage these platforms to reach and engage with their target audience.

- **E-Commerce:** Social media platforms such as Instagram and Facebook have introduced shoppable posts, which have made it easier for businesses to sell their products directly to consumers. This has led to an increase in the number of e-commerce businesses using social media to drive sales.
- **Regional Languages:** Social media platforms in India are increasingly catering to users who prefer to consume content in regional languages. As a result, businesses are starting to create content in regional languages to reach and engage with their target audience.

#### Social Media Use by Indian Companies

- There are many Indian companies that have effectively used social media in their digital marketing efforts. Here are a few examples:
- **Flipkart:** Flipkart, an Indian e-commerce company, uses social media platforms like Facebook and Twitter to engage with customers, share deals and promotions, and build brand awareness. They also use Instagram to showcase their products and reach out to customers.
- **Make My Trip:** MakeMyTrip, an Indian online travel company, uses social media platforms like Facebook, Twitter, and Instagram to share travel deals and inspiration, as well as respond to customer inquiries and feedback.
- **Oyo Rooms:** Oyo Rooms, an Indian budget hotel chain, uses social media platforms like Facebook, Instagram, and Twitter to build brand awareness and share promotions and deals. They also use platforms like Instagram to showcase the amenities of their hotels and target the youth market.
- **ICICI Bank:** ICICI Bank, one of the largest private sector banks in India, uses social media platforms like Facebook, Twitter, and LinkedIn to provide customers with financial advice, share promotions and deals, and respond to customer inquiries and feedback.
- **Amul:** Amul, an Indian dairy cooperative, uses social media platforms like Facebook, Twitter, and Instagram to share information about their products, build brand awareness, and engage with customers.
- **Swiggy:** Swiggy, an Indian food delivery company, uses social media platforms like Facebook, Twit-

ter, and Instagram to share information about their products, build brand awareness, and engage with customers. They also use platforms like Instagram to showcase the food available on their app and to reach out to customers.

- Thus, Indian companies are using social media platforms to build brand awareness, engage with customers, share deals and promotions and build customer loyalty. Flipkart, Make My Trip, Oyo Rooms, ICICI Bank, Amul and Swiggy are examples of Indian companies that have effectively used social media in their digital marketing efforts.

#### Benefits of Social Media in Digital Marketing

Social media can provide a number of benefits for businesses looking to enhance their digital marketing efforts. Here are a few examples:

- **Increased Brand Awareness:** Social media platforms can be used to promote a business's products or services and increase brand awareness among a target audience.
- **Improved Customer Engagement:** Social media platforms can be used to build relationships with customers and improve engagement. This can be done through things like responding to comments, hosting Q&A sessions, and running contests or giveaways.
- **Increased Website Traffic:** Social media platforms can drive traffic to a business's website, which can lead to increased sales and conversions.
- **Targeted Advertising:** Social media platforms allow businesses to target their advertising to specific demographics, which can lead to increased conversions and sales.
- **Cost-Effective:** Compared to traditional forms of advertising, social media advertising can be less expensive and more effective.
- **Better Customer Insights:** Social media platforms provide data on consumer preferences, behavior, and demographics, which can be used to create more effective marketing strategies.
- **Increased Conversions:** By creating and sharing valuable content, businesses can attract and engage their target audience, which can lead to increased conversions and sales.
- **Increased Brand Loyalty:** Building relationships with customers on social media can lead to increased brand loyalty and repeat customers.
- **Competitive Advantage:** Businesses that use social media effectively can gain a competitive advantage over those that do not.

### Challenges in Use of Social Media in Digital Marketing

The use of social media in digital marketing can present a number of challenges for businesses. Here are a few examples:

- **Algorithm Changes:** Social media platforms frequently update their algorithms, which can affect the reach and engagement of a business's posts. This can make it difficult for businesses to predict the success of their social media campaigns and can lead to decreased visibility for their content.
- **Ad Fatigue:** Consumers can quickly become fatigued by the number of ads they see on social media, which can lead to decreased engagement and conversion rates. Businesses need to be mindful of ad frequency and targeting to minimize ad fatigue.
- **Platform Saturation:** With the number of businesses using social media for marketing increasing, it can be difficult for businesses to stand out and gain visibility among the noise. Businesses need to be creative and strategic in their approach to social media marketing in order to be successful.
- **Privacy Concerns:** Consumers have become increasingly concerned about their privacy online, which has led to stricter data protection regulations. Businesses need to be mindful of these regulations and ensure that they are in compliance in order to avoid legal issues.
- **Measuring ROI:** It can be difficult for businesses to measure the ROI of their social media marketing efforts, as it can be hard to track the direct impact of social media on sales. Businesses need to be creative in how they measure the ROI of their social media campaigns in order to gain a complete picture of their effectiveness.
- **Managing Negative Feedback:** Social media platforms are open platforms where customers can leave feedback and complaints which can be seen by everyone. Negative feedback can harm the reputation of the brand if not handled properly.

### Suggestions to Improve Social Media Use by Marketers

Here are a few suggestions for marketers looking to improve their use of social media:

- **Define your Target Audience:** Understand who your target audience is and tailor your social media strategy to reach and engage them.
- **Create a Content Strategy:** Develop a content strategy that aligns with your business goals and resonates with your target audience.

- **Use Visuals:** Use visuals, such as images and videos, to grab the attention of users and make your content more engaging.
- **Be Consistent:** Post regularly and consistently to build an audience and keep your followers engaged.
- **Utilize Paid Advertising:** Use paid advertising to reach a larger audience and drive more conversions.
- **Monitor Your Performance:** Use analytics to track your social media performance and make adjustments to your strategy as needed.
- **Engage With Your Audience:** Respond to comments and messages, and engage with your audience in a meaningful way.
- **Leverage Influencers:** Partner with influencers in your industry to reach a larger audience and increase brand awareness.
- **Be Authentic:** Be transparent and genuine in your interactions with your audience.
- **Keep an Eye on Industry Trends:** Stay up-to-date on industry trends and use them to your advantage in your social media strategy.

### Conclusion:

Social media is a powerful tool for businesses looking to enhance their digital marketing efforts in India. With the number of active social media users projected to reach 829 million by 2023, it is more important than ever for businesses to have a strong presence on social media in order to reach and engage their target audience. Businesses are leveraging video content, influencer marketing, short-form video platforms, e-commerce and regional languages to reach their audience and make the most of the Indian digital marketing landscapes. Social media can provide a number of benefits for businesses looking to enhance their digital marketing efforts. Increased brand awareness, improved customer engagement, increased website traffic, targeted advertising, cost-effectiveness, better customer insights, increased conversions, increased brand loyalty and competitive advantage are among the most commonly cited benefits of social media marketing.

Though there are number of benefits of using social media in digital marketing, businesses face a number of challenges too when using social media for digital marketing. Platforms updates, ad fatigue, platform saturation, privacy concerns, measuring ROI, and managing negative feedback are among the most common challenges. Businesses need to be aware of these challenges and have strategies in place to mitigate them in order to be successful in their social media marketing efforts.

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## An Empirical Study on the Role of Recovery Mechanisms in the Indian Banking Sector

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### Abstract

Loan and advance repayment on time is one indicator of a bank's performance. Banks are currently dealing with an increase in the number of non-performing assets. It not only reduces bank productivity, but it also has an impact on bank liquidity and competitiveness. The country's legal system has been a major impediment to banks' efforts to reduce their NPAs. Proper recovery mechanisms are essential for recovering these bad loans. This paper tries to analyze the role of recovery mechanisms like Debt Recovery Tribunals (DRTs), LokAdalats and the SARFAESI Act, 2002 in recovering the amount of non-performing assets in Indian scheduled commercial banks. This study is based on secondary data gathered over ten years from RBI publications. After conducting the analysis, the results revealed that the SARFAESI Act is the most effective recovery method followed by debt recovery tribunals in resolving the issue of stressed assets. Due to their low recovery rate, LokAdalats have little impact in dealing with NPAs. This study concludes that to maintain the financial stability of Indian banks, the government and bank regulatory authorities should take various strong measures to address the problem of stressed assets.

**Keywords:** [Banks, Non-performing assets, LokAdalats, DRTs, SARFAESI]

### Introduction

A nation cannot achieve the required economic growth without a robust and effective banking industry. However, the problem of stressed assets in the banks is becoming more and more complicated in the modern period, and as a result, the banking sector is suffering. Reducing the amount of non-performing assets (NPAs) is urgently needed to strengthen the financial health of the Indian banking sector. The main duties of a bank are loaning money and accepting deposits. The elimination of all non-performing assets is not feasible due to the fundamental nature of the banking industry. Therefore, the number of NPAs can be decreased by the bank with the aid of effective credit risk management and recovery channels. A bank should get their money back before the loan turns into an NPA. Because once they become NPAs, recovering them will be expensive for the bank, increasing operational costs and decreasing profitability.

### Meaning

According to RBI (Master Circular DBOD No. BP.BC/20/21.04.048/2001-2002), An asset becomes non-performing when it ceases to generate income for banks". In other words, if interest or principal installments are past due and underpaid for a period longer than 90 days, the asset should be considered a non-per-

forming asset.

A strong and appropriate recovery mechanism is crucial for the recovery of non-performing loans. LokAdalats, onetime settlement schemes, SARFAESI Act, DRTs, Insolvency and Bankruptcy code, corporate debt restructuring scheme, credit information bureau, assets reconstruction companies (ARCs), and recovery through private agencies are some loan loss recovery mechanisms. But the most commonly used mechanisms are DRTs, Lok Adalats and SARFAESI in recovering the amount of NPAs in Indian Banks. That's why this paper tries to analyze the role of recovery mechanisms in the Indian banking sector to know whether they work upto the mark or not.

The paper further proceeds as follows. Section 2 provides a review of the available literature. Section 3 presents the objective. Section 4 specifies the research hypotheses. Section 5 elaborates on the research methodology. Section 6 shows the results and discussion. Finally, Section 7 concludes.

### Literature Review

This section provides a review of some existing literature that examines the role of recovery channels of NPAs of banks. A review of the literature on these studies is shown below.

**Siraj and Pillai (2012)** assess the management of NPAs

and discuss the efficacy of different recovery management strategies in Indian Banks, in particular DRT, LokAdalats, and SARFAESI Act. The empirical findings indicated that during the period, the SARFAESI Act and DRTs were primarily responsible for the improvement in NPA recovery. The SARFAESI Act gave recovery management the much-needed impetus, as can be seen from the report.

**Selvarajan and Vadivalagan (2013)** examined the management of NPAs in priority sector advances and offered corrective actions to address the NPA issue. The findings suggested that a quick recovery system and an efficient credit appraisal system are useful in resolving this issue. **Jain and Shaardha (2016)** examined the effectiveness of the SARFAESI Act, Debt Recovery Tribunal in curbing the problem of stressed assets in Indian banks. The study span is from 2008 to 2014 and the secondary data is taken from RBIs' annual reports, research papers, newspapers etc. ANOVA test and Tukey HSD post-hoc test is used for data analysis purpose. The results showed that there is no significant variation found in the cases admitted to these statutory bodies and the two recovery channels DRT and SARFAESI Act, 2002 do not show differences in curbing the problem of non-performing assets. **Thomas and Vyas (2016)** studied the loan recovery mechanisms of Indian banks. The paper has divided the recovery mechanisms into two parts: (1.) Preemptive strategies and (2.) Corrective strategies. Preemptive strategies consisted of 5-E Early Warning Signals (EWS). The five Es were economic warning which included financial distress; enterprise warning which means operational warning; executional warning; exchequer warning which includes banking signals and extraneous warning. These were the factors that were taken into consideration before sanctioning loans. Corrective strategies include after loan sanctioning mechanisms. It consists of legal, non-legal and regulatory mechanisms such as SARFAESI Act, 2002; Insolvency and Bankruptcy Code, 2016; National Company Law Tribunal, Debt Recovery Tribunals etc. **Kumar et al. (2017)** examined the effectiveness of various recovery methods such as the SARFAESI Act 2002, LokAdalats, and DRTs for recovering the amount of non-performing assets. The study span is from 2008 to 2016 and the secondary data is taken from RBI publications, journals, newspaper articles etc. ANOVA technique is used for data analysis. The results showed that there is significant variation among the performance of the SARFAESI Act, DRTs, and LokAdalats regarding the recovery of non-performing assets. In this study,

SARFAESI Act is found to be effective among recovery channels in solving this problem of stressed assets. **Ghaloth (2019)** investigated how non-performing loans affect bank profitability and their recovery processes. According to the study, banks should enhance their credit risk management procedures in order to lessen this issue, and the SARFAESI act has proven to be the most efficient approach.

### Objective of the Study

This paper tries to analyze the role of recovery mechanisms like Debt recovery Tribunals, LokAdalats and SARFAESI Act, 2002 in recovering the amount of non-performing assets in the Indian Banking sector.

### Hypotheses

H1: There is a significant difference in the cases referred to recovery mechanisms (LokAdalats, DRT, SARFAESI Act).

H2: There is a significant difference regarding % of NPAs amount recovered through recovery mechanisms (SARFAESI Act, DRTs, LokAdalats).

### Research Methodology

#### Data

The data for the study is taken from secondary sources including journals, RBI's annual reports of "Trend and Progress of banking in India", "Statistical Tables related to banks in India" and various other secondary sources. The study period from 2008 to 2019 is taken into consideration for analysis purposes.

#### Analytical Tools

To check the validity of the hypothesis Welch test was used to identify a statistically significant difference in the role of recovery channels. When a statistically significant difference was found Games – Howell post hoc test was used to better identify the differences with the help of IBM SPSS software version 20.

### Results and Discussions

This section contains a detailed analysis of the paper. The collected data were analyzed using descriptive statistics, Levene test, Welch test, and the Games – Howell post hoc test to test the hypothesis.

Table 1 displays descriptive statistics. The same sample size and different mean values are shown by all three categories of recovery channels where LokAdalats showed the highest mean value (2115723.36) and DRT showed its least value (21446.27) in comparison to the

other two categories. The table clearly shows that LokAdalats has the highest number of NPAs cases referred to as compared to the other two channels. Considering these results, it is necessary to determine whether or not the variation in mean scores of recovery mechanisms is significant.

**Table 1: Descriptive Analysis**

	N	Mean	Std. Deviation	Std. Error
LokAdalats	11	2115723.36	1569496.471	473220.991
DRTs	11	21446.27	14044.541	4234.589
SARFAESI	11	150914.45	56560.796	17053.722
Total	11	762694.70	1310601.901	228146.507

Source: Author's Calculations

The Levene test (Table 2) demonstrates that the assumption of variance homogeneity is not met ( $p < 0.05$ ) in the case of the number of cases referred. As a result, the Welch test is applied to determine whether there is a significant variation in the number of NPA cases referred to recovery channels. However, the Welch test [Welch's F (2,14.106) = 35.202,  $p = .000$ ] in Table 3 indicates that the mean values of NPAs cases referred to these recovery channels differ. It implies that the null hypothesis is not accepted (Sig.  $< 0.05$ ), and the results show that there is a significant disparity in the number of cases admitted to recovery channels (LokAdalats, DRTs, SARFAESI).

**Table 2: Test of Homogeneity of Variances**

Number of Cases Referred			
Levene Statistic	df1	df2	Sig.
83.804	2	30	.000

Source: Author's Calculations

**Table 3: Robust Tests of Equality of Means**

Number of Cases Referred			
Welch Statistic	df1	df2	Sig.
35.202	2	14.106	.000*

Source: Author's Calculations

Note: Significant at \*0.05 level

In addition to getting the significant result from the welch test we ran the Games – Howell post hoc test in (Table 4) to look at multiple comparisons which helped in identifying which categories of independent variables (recovery channels) differed from each other. In this paper Games–Howell post hoc test is applied. The analysis reveals that LokAdalats significantly differ from the Debt Recovery Tribunals and the SARFAESI Act. Debt Recovery Tribunals are also statistically distinct from SARFAESI Act.

**Table 4: Games – Howell Post Hoc Results**

(I) Recovery Channels	J) Recovery Channels	Mean Difference (I-J)	Std. Error	Sig.
Lok Adalats	DRT	2094277.091*	473239.93	.003
DRT	SARFAESI	-129468.182*	17571.601	.000
Lok Adalats	SARFAESI	1964808.909*	473528.179	.005

Source: Author's Calculations

Note: Significant at \*0.05 level

**Table 5: Descriptive Analysis**

NPAs Amount Recovered				
	N	Mean	Std. Dev	Std. Error
Lok Adalats	11	4.91	2.773	.836
DRT	11	19.73	22.236	6.704
SARFAESI	11	25.55	7.992	2.410
Total	33	16.73	15.959	2.778

Source: Author's Calculations

Table 5 displays descriptive statistics. The same sample size and different mean values are shown by all three categories of recovery channels where SARFAESI showed the highest mean value (25.55) and LokAdalats showed its least value (4.91) in comparison to the other two categories. The table clearly shows that SARFAESI has the highest number of NPAs amount recovered as compared to the other two channels. Considering these outcomes, it is necessary to determine whether or not the variation in mean values of recovery mechanisms is significant.

The Levene test (Table 6) demonstrates that the assumption of variance homogeneity is not met ( $p < 0.05$ ) in the case of NPAs amount recovered. As a result, the Welch test is used to determine whether there is a significant difference regarding the percentage of NPAs amount recovered through various recovery channels. However, the Welch test [Welch's  $F(2, 14.928) = 32.998, p = .000$ ] in Table 7 indicates that the mean scores of NPAs amount recovered through various recovery methods. It implies that the null hypothesis is not accepted ( $\text{Sig.} < 0.05$ ), and the results show that there is a significant disparity regarding the % of NPAs amount recovered through various recovery channels (SARFAESI, DRTs, LokAdalats).

**Table 6: Test of Homogeneity of Variances**

Number of Cases Referred			
Levene Statistic	df1	df2	Sig.
5.285	2	30	.011

Source: Author's Calculations

Note: Significant at \*0.05 level

**Table 7: Robust Tests of Equality of Means**

Number of Cases Referred			
Welch Statistic	df1	df2	Sig.
32.998	2	14.928	.000*

Source: Author's Calculations

Note: Significant at \*0.05 level

**Table 8: Games – Howell Post Hoc Results**

(I) Recovery Channels	J) Recovery Channels	Mean Difference (I-J)	Std. Error	Sig.
Lok Adalats	DRT	-14.818	6.756	.119
DRT	SARFAESI	-5.818	7.124	.700
Lok Adalats	SARFAESI	-20.636*	2.551	.000

Source: Author's Calculations

Note: Significant at \*0.05 level

In addition to getting the significant result from the Welch test we ran the Games – Howell post hoc test in (Table 8) to look at multiple comparisons which helped in identifying which categories of the independent variable (recovery channels) differed from each other. The result shows that the recovery channel of LokAdalats is significantly different from SARFAESI Act. But, DRTs are not statistically different from LokAdalats. Also, there is no statistical disparity found between DRT and SARFAESI Act.

Significant differences concerning NPAs cases referred to and their recovery was observed for the recovery mechanisms. Welch test and post hoc tests (Games – Howell) were conducted to examine the differences in the effectiveness of various recovery channels. The following are the findings for each of the hypotheses:

**For H1:** There is a significant difference ( $p < 0.05$ ) in the cases admitted to recovery mechanisms (LokAdalats, Debt Recovery Tribunals, SARFAESI). The results show that LokAdalats differ significantly from DRTs and the SARFAESI Act. DRTs are also statistically distinct from the SARFAESI Act. LokAdalats have referred the highest number of cases as compared to other channels and seems important for banks.

**For H2:** There is a significant difference ( $p < 0.05$ ) regarding % of NPAs amount recovered through various statutory bodies (DRTs, SARFAESI Act, DRTs, LokAdalats) in the period from 2008 to 2019. The results show that LokAdalats' recovery channel differs significantly from the SARFAESI Act. However, DRTs are not statistically different from LokAdalats. There is also no statistical disparity between Debt Recovery Tribunals and SARFAESI. SARFAESI Act has the maximum % of NPAs amount recovered and performs better than the other two recovery channels.

SARFAESI Act and Debt Recovery Tribunals proved to be more effective recovery mechanisms regarding % of NPAs amount recovered as compared to LokAdalats. The analysis suggested that there is no statistically significant disparity found in the performance of both DRTs and the SARFAESI Act. This finding is consistent with the results found by (Bhatt and Panda, 2017; Jain and Shaardha, 2016; Kumar and Alam, 2020; Kumar et al., 2017).

It is also observed that LokAdalat was found to be ineffective in the case of NPAs recovery as large numbers of cases are pending in courts. This result is in line with the findings found by Kumar and Alam, 2020. Under Lok Adalats, slow resolution of cases and incomplete repayment of loans are also the main reason for a low rate of

NPAs recovery (Alamelumangai and Sudha, 2019).

### Conclusion

To address the issue of NPAs, the government has implemented a variety of mechanisms, including the establishment of Lok Adalats, DRTs, and the enactment of laws such as the SARFAESI Act and the IBC Code, 2016. The research concludes that the proportion of the amount recovered is higher in the case of the SARFAESI Act when compared to other mechanisms for dealing with stressed assets. The impact of Lok Adalats on recovering NPAs is minimal due to their low recovery rate. According to the findings of the study, there are numerous reasons for the low recovery rate of NPAs, including ineffective recovery mechanisms, poor law enforcement, delays in court proceedings, and many others. This study has some significant policy implications for future policy changes to address the problem of non-performing assets as well as for bank regulators to address the deficiency in these recovery mechanisms. These recovery measures must be strengthened to boost the recovery rate and long-term financial stability of the Indian banking sector.

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## Internet Banking: Pre & Post of COVID-19

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### Abstract

Online banking and E-payment usage have been improving customers' life by providing ease of payments for online transactions. The acts of intention, attitude, perceived usefulness and ease of use have long been recognized in online banking. However, very few studies have examined these concepts from the viewpoint COVID-19 pandemics. This present study has designed a conceptual model derived from TAM to examine the impact of COVID-19 on customers' online banking and e-payments usage. A sample of 219 respondents was analyzed using PLS SEM. The findings suggested that intention to use online banking have a significant positive influence on online banking and e-payment usage. Similarly, attitude towards online banking have a significant positive impact on intention to use online banking and e-payment during COVID-19 pandemics. Perceived usefulness and perceived ease of use have a significant positive influence on attitude towards online banking and e-payment usage during COVID-19 pandemics. Managerial implications of the study are discussed while limitations and suggestions for further research were highlighted. Customers' lives have been made easier by the use of internet banking and e-payments, which make digital payments more convenient. In internet banking, the effects of purpose, attitude, perceived utility, and convenience of use has long been acknowledged. Moreover, only a few researches have looked at such principles in the context of COVID-19 outbreaks. The aim of the research is to investigate the influence of COVID-19 on consumers' internet banking as well as e-payments use using a conceptual framework drawn from TAM. According to the results, the willingness to utilize internet banking has a considerable favorable impact on digital banking and e-payment employment. Likewise, during COVID-19 outbreaks, attitudes about internet banking have a considerable favorable influence on willingness to utilize internet banking and e-payment. During COVID-19 outbreaks, reported utility and simplicity of use have a strong favorable impact on attitudes toward digital banking and e-payment usage.

**Keywords:** [COVID-19, Internet Banking, Perceived Utility (PU), Perceived Ease of Use (PEU), Subjective Norm (SN)]

### Introduction

COVID-19 has given a significant boost to India's banking digitalization. Online banking was a major part of consumer banking before the pandemic; however as the April 2020 survey found, customers have been going digital in growing numbers during the pandemic. As well as the transformation isn't done yet: online banking is here to stay, even if customers want it to be part of a larger package of services. The number of persons who used online banking for the first time during the pandemic is growing year after year, according to our most recent research, which questioned 2,021 Indian adults of productive age. Nevertheless, despite rising consumer desire, not everyone wishes to bank online, as well as especially those that do would not use it for all banking services. The results demonstrate the importance of a convincing multi-channel approach, particularly hybrid solutions, in meeting the demands of various client segments, especially when it comes to sophisticated financial transactions like mortgages or even more complicated investments.

The desire to accept or utilize technology to solve specific issues, like online banking or e-payment, has been

studied in depth in the literature. Despite the fact that there have been prior studies on the issue, the technology adoption model stands out since it tries to explain how certain factors impact a customer's choice on how or when to employ technology. COVID-19, on the other hand, is now having a significant impact on numerous economies throughout the globe. In the majority of the nations impacted, financial firms have been shut down. To slow the transmission of the infection, African governments have implemented policies that promote social distance and prohibit big meetings, forcing banks and other financial institutions to shut down altogether [1]. As a result, the COVID-19 epidemic has altered how people buy, study, socialise, bank, as well as make payments. As the pandemic spreads, the lockdown of most bank buildings and branches has resulted in the emergence of new technology: working remotely. Many customers have no option but to change their banking and payment routines. Some clients were compelled to adopt online choices as a form of payment as a result of need, while others made the switch for the first time. As a result, researchers have yet to investigate the impact of

COVID-19 outbreaks on customers' decisions to utilize internet banking as well as e-payment systems. As a result, the current research employed the innovation adoption framework to analyze how the COVID-19 outbreak affects consumers' attitudes about online banking including e-banking services. According to a literature review, technological adoption has received little attention, whereas others have suggested that the approach is more successful in certain circumstances than others. As a result, the current research aims to close the information gap by measuring how COVID-19 pandemics induced users to utilize internet banking as well as e-payment facilities using five factors modified from the technology adoption model[2]. Clients' use of online banking and e-payment (OBEU) was the response variable in the research, with the intention to use online banking (IUOBE) and attitude toward the use of online banking and e-payment (ATUBE) serving as the mediating factors. As a result, background variables in the model include perceived usage of online banking and e-payment services (PUOBE) and perceived ease of use of online banking and e-payment services (PEU).

Numerous banks had already started implementing some or all of the below, but COVID-19 has underlined the significance of these four areas in making digitalization more successful for both customers and banks.

- Transforming customer satisfaction: Numerous banks had already started implementing any or all of the below, but COVID-19 has underlined the significance of these four areas in making digitalization more successful for both customers and banks.
- Take a mobile-first approach: Users expect mobile access to services and products at all times, from m - banking to account accessibility.
- Making a personalised data strategy: Making way-out needs to considerate which information they have, which information they intend, which questions users need to ask of that information, as well as how to understand the responses. The value of centralising existing datasets cannot be exaggerated.
- Selecting the appropriate technological systems: Identifying which provides the platform to practice or how to utilize them is serious when incorporating innovative facilities into trades with large past measures as well as resources that are exposed

to high levels of legal oversight, such as banking. Nowadays' bank CEO must contract with an overabundance of complications. In the near time, there are financial, technical, as well as legal challenges to contend with. There's also a thorny discussion over which innovation would be the most damaging or changing. Several argue, for instance, that the cloud presents the greatest chance for banks. It provides the advanced tailored and real-time facilities that clients and consumers want, whereas Artificial Intelligence offers the highest payback for others. Banks, on either side, have a great opportunity because they have the trust of their customers and should have enough capital to carry out the correct strategy. Sustainability will be dependent on advanced technology as well as a virtual ecosystem that cuts costs while enhancing products and user interactions.

### **Theoretical Background**

The most extensively used framework for studying societal attitudes about and use of innovation is the Technology Acceptance Model (TAM). This is due to the fact that this concept emphasizes the usage of data systems, and it was developed as a result of a study undertaken to justify IBM employees' adoption of word processing techniques. The Technology Acceptance Model has been used in a variety of cross-sector studies, including those involving telemedicine, computers, the Internet, and e-commerce. TAM has been utilised in a number of studies, including Abbad and Martins', to examine the acceptance and use of ATMs, mobile banking, and Internet banking in the context of digital banking.

Bhatt evaluated consumer trust (TR) in IB services using the Theory of Planned Behaviour (TPB) and found that perceived behavioural power, consumer attitude (AT), and subjective norms (SN) all affected customer intention to adopt IB[3]. Varaprasad then adds in a few other variables, such as perceived risk, relative reward, and attention. The key factors of IB acceptability have been identified as perceived utility (PU), perceived ease of use (PEU), perceived risk, and relative benefit.

The goal of this research is to find out what factors impact the usage of Internet Banking in India before and after the Covid-19 outbreak. TAM as well as perceived behavioural control (PBC) was also updated in this research by adding various factors and taking into account the compatibility of the issues that arise in Indian banks. This research also takes into account changes in behaviour that happened during and before the Covid-19 outbreak, which started in India in Feb-

ruary 2020. The research model presented in this work is shown in Figure 1, and it comprises of five constructs: Perceived utility, perceived ease of use, trust, subjective norms, and attitude. The integration of TAM and PBC is supposed to characterize Indian banks' client intentions in adopting Internet banking.

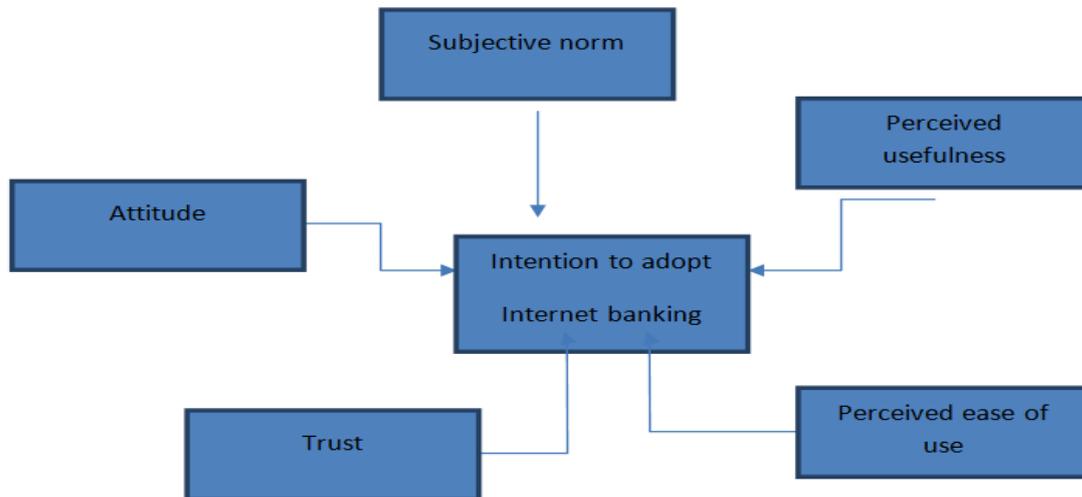


Figure 1: Research Model

### Revolution of Digitalized Banking

During the epidemic, a significant number of banks clients used internet banking services for the very first time, and the majority considered them satisfied, according to our 2020 study.

The results of our 2021 poll revealed that this is not a passing trend: a growing number of consumers are opting for internet banking. More participants had used internet banking for the very first moment than in 2020 for each and every product one inquired about, as well as the number of first-time customers has nearly quadrupled over the last year, as shown in graph 1.

Findings of the 2020 and 2021 polls on the %age of all interviewees who utilised the following internet services for the first moment during the epidemic.

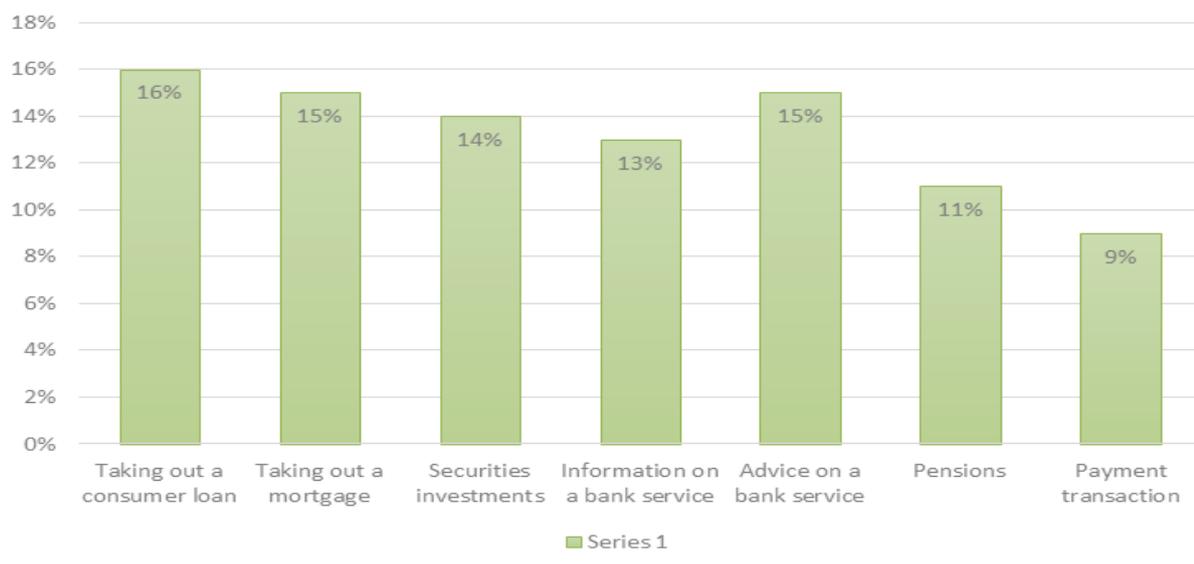


Chart 1. During the pandemic, first-time consumers of internet banking for various services in the year 2020

Chart 2 .During the pandemic, first-time consumers of internet banking for various services in the year 2021.

As a result of the epidemic, the transition to internet banking has quickened, putting the trend several years ahead of schedule. Furthermore, this was not a one-time occurrence but is ongoing. Several individuals who originally switched to online media intend to do so again – and also in greater %ages than in the 2020 research. Following the epidemic, 59 % of those polled anticipate using both online as well as in branch services, with 18 % preferring digital services [4]. After a lengthy period of use during the pandemic, a rising share of consumers says they will remain to utilize internet services at least some of the time, implying that digital banking will become a permanent element of the banking spectrum. Generally, newer entities are more amenable to digital alternatives, although the share of over-50s who bank online has increased significantly. This group also has a higher interest in smart systems, with nearly two-thirds planning to utilize both digital and in-branch solutions after the outbreak.

• **Perceived Usefulness (PU)**

The amount to which consumers' feel that using an IB service would enhance their banking efficiency or activity is referred to as PU. PU has been found to have a positive impact on Attitude and the willingness to utilize TAM to implement IB in a variety of studies in the field of information systems (IS). Furthermore, previous IB research has shown that Perceived Usefulness has a significant positive impact on attitude and intention. Perceived Usefulness has also been shown to modulate the influence of external stimuli on Attitude and intention in prior studies.

• **Perceived Ease of Use (PEU)**

PEU stands for the %age of clients who believe that utilizing the Internet Banking service is straightforward. PEU is the most important element affecting a customer's decision to use Internet banking. It has been shown to influence an individual's personal inclination to use Internet banking in a variety of studies. PEU has been established to impression consumers 'purpose to use IB in many investigations. Furthermore, multiple researches have demonstrated that IB's Perceived Ease of Use would increase customers' willingness to utilize different transactions [5]. Consumers prefer it simple to use Internet banking if the menu is simple, easy to recall, and tailored to their requirements.

• **Trust (TR)**

Trust is described as the customer's belief in Indian Banking services' capacity to provide services as prom-

ised. Trust is critical in instilling trust in the ability to meet client requests. In the event of a quarrel between banks and consumers, Trust plays a critical role in mitigating vulnerability. In the decision-making process, danger, as well as Trust, is two components that cannot be separated. Furthermore, poor technology increases the possibility of a loss in consumer contentment and desire to utilize Internet banking.

• **Subjective Norm (SN)**

Trust is described as the customer's belief in Indian Banking services' capacity to deliver services as promised. Trust is critical in instilling trust in the ability to meet client requests. In the event of a quarrel between banks as well as consumers, Trust plays a critical role in mitigating vulnerability. In the decision-making procedure, danger, as well as Trust, is two components that cannot be isolated. Furthermore, poor innovation increases the possibility of a loss in consumer contentment and desire to utilize Internet banking.

• **Attitude (AT)**

A tendency to act consistently in response to a certain thing might be described as an attitude. Attitude was defined as customers' favourable or negative attitudes towards using IB services in this study. Fishbein and Ajzen were the first to include attitude in TRA, followed by Davis, who said that attitude is a component of TAM that ultimately effects individual purpose[6]. Since the customer's confidence in risk and security in utilising Internet Banking shapes Attitude, it becomes an indivisible aspect in the setting of Internet Banking. Customer Attitude impacts the desire to utilise Internet Banking services, according to a prior study done by Chiou&Shen as well as Kaur& Malik.

**Technology in Banking Sector**

• **Product Innovations**

The Reserve Bank of India (RBI) said in a press statement in the year 2019 that it is in the initial stages of contemplating an independent virtual currency for the nation. Moreover, the Reserve Bank of India's mandatory tokenization of cards may provide a much-needed lift to the digital card market, ushering in greater development for digitalization [8]. The withdrawal of the merchant discount rate (MDR) on RuPay cards as well as UPI money transfers, and also the establishment of the Payment Infrastructure Development Fund (PIDF), is two governmental policies that are anticipated to enhance vendor admittance facilities and attract more people into the digital environment.

Furthermore, we anticipate growing QR code usage

across areas, which will not only benefit urban consumers but also enable those who are less digitally knowledgeable, thanks to the drive for digital literacy outside tier one and tier two towns[9]. In India, among the most important product breakthroughs in the payment systems market involve:

**a. QR Code**

QR code-based transactions are gaining traction since they may be used to pay for petrol, groceries, utility bills, meals, transportation, as well as a variety of other activities, and they can be read both from paper and computer.

**b. UPI for Merchant Transactions**

It is an immediate payment method in which a consumer may use any mobile-driven UPI app to read a dynamic QR code created on the POS screen that might incorporate wireless financing options.

**c. Payment Gateway**

Traders may take payments through numerous payment methods through an e-commerce platform using an online payments gateway. This enables retailers to make large payments in a secure way while complying with COVID-19, which is particularly useful for internet shopping, leisure, restaurant, and some other e-commerce businesses.

**d. Contactless payments**

Clients may pay with their wireless credit or debit cards or through a 'Tap and Pay' function on a Smartphone app by touching them on the PoS terminal using the Near Field Communication (NFC) function, which is combined with magnetic secure transmission (MST) innovation.

**e. SMS-Based Payments**

A trader's SMS payment link is being used to shop for items or services, particularly for businesses that need the upfront payment for reservation or booking, like restaurants as well as hairdressers. Such capability is being used by e-commerce enterprises to convert their cash-on-delivery (COD) customers to mobile transactions [10]. With the proliferation of powerful cell phones and the development of alternative payment methods, SMS-based transactions have become less common. In the service industry, though, it has a lot of potentials.

**f. Prepaid Cards**

Prepaid debit cards may be refilled or exchanged at terminals, and they can be used as meal cards, transport cards, or any other kind of transaction option with a specific purpose. Due to the susceptibility of cashless transactions to cyber attacks, there is a concurrent need to improve cyber security regulations and build safe structures as mobile transactions get to be the favored alternative in the future.

**• Infrastructure Innovations**

India may be credited for pioneering payment technologies, particularly with the development of interoperable QR codes, which were among the first of their sort in the world. While this has made payments easier and the user experience smoother, comparable technologies and activities are needed to speed up merchant acquisition. The key for India's rural populace is a low bar for merchant on boarding and a poor understanding of operations[11]. An Indian merchant in a tier three or tier four city may not feel at ease using PoS machines since they lack even the most basic technical skills and do not have constant access to PoS machine support services. With the exception of government schemes to streamline merchant on boarding, advancements in local language affirmation, portable device-based transactions, and biometric approvals such as fingerprint images, facial detection, as well as voice-based transactions are anticipated to be critical in leveraging the COVID-19 scenario and increasing the appropriateness of digital cashless transactions, particularly in tier one and tier two towns.

**• Analytics-Based Solutions**

The convenience of the transaction, the smooth user experience it provided, and cash back all contributed to the initial wave of digital payment acceptance. Existing players may lead the next phase of growth by offering value added services such as payment notices, electronic debit directions, personal cash flow management, as well as analytics focused on customer expenditure, as well as supplying users with the information on/location of shops willing to accept cashless transactions[12]. In which the cash-to-digital conversion is not an attractive value proposition for the merchant, alternative value-added services might be used to generate a compelling value offer for MSMEs. Customer relationship management, current investment management, access to finance, including business analytics based on the sales data can all help small businesses manage their cash and inventories by using and organizing data collected as part of their daily operations.

**Conclusion**

COVID-19 has had a major but not irreversible influence on the payment environment. Less reliant on infrastructure, components of the financial system have survived, mitigated, and sometimes even capitalised on the situation, converting an impending danger to their benefit. The epidemic has forced people and companies to reassess their payment structure and infrastructure to address interruption mitigation and business continuity. The epidemic has also highlighted underlying faults in many legacy firms in the sector and also individual customers' over-reliance on money as a single means of payment. As a result of

the COVID-19 crisis, payers are re-evaluating cash as a sacred payment option with the greatest availability and ease. Payers are wary about returning to cash payments after accepting digital payments. However, the currency is not anticipated to vanish soon. Cash transactions in the NFS network have returned to pre-COVID-19 levels, demonstrating that the Indian people prefer to deal in cash. COVID-19 may have aided in the marginalization of money transfers, but not in their eradication.

Nonetheless, COVID-19 has been a positive aspect of payment systems acceptance in India. The inscrutability of current payment infrastructures was a major impediment to digital expansion. Furthermore, the pandemic's interruption enabled companies to rethink their payment methods and include digital for convenience and simplification. Also, they preferred digital payments over preventing actual accessibility to their assets. Individual payers have not adopted online currencies owing to lack of understanding, technological infrastructure, difficulty, and expenses associated. For a firm to implement digital payments, the whole transactions chain surrounding it, notable suppliers, had to accept them. As a common platform for whole enterprise payment services to explore adopting digital at the same moment, COVID-19 facilitated many of these universal and entrenched improvements. The pandemic and its limitation of travel served as the primary motivator, to examine, in both urban and rural locations. After the lockdowns, rural economies were forced to examine the AePS process, resulting in record transaction volumes. Online fraud, as well as cyber security, will be given more attention. Concerns about increased contactless card transaction limits and the use of alternative virtual payment options have been noted in polls. Furthermore, as more Indians interact online, purchasing patterns and habits will become even more available, highlighting the already rising significance of corporate analytics to monitor and analyze payer activity. Banks as well as other payment providers are likely to substantially engage in machine learning and artificial intelligence for fraud prevention and detection. In summary, COVID-19's influence on digitalization has been ambiguous. Short-term acceptance will likely speed the long-term migration to electronic payments. The epidemic has also revealed new views and possibilities for Indian enterprises and people that can only be exploited by anticipating transformation.

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## Leadership in Organisations in the Context of 2P-3C

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### Abstract

An attempt in this paper is made to discuss organizational leadership in the context of power, politics, conflict, culture and climate. Accordingly the aforesaid concepts have been discussed in the Introduction. Power and politics are among the most important concepts in the study of organization behavior. Both power and politics are dynamic concepts and are a function of the interaction between different players in organizations. Although politics is generally regarded as negative and undesirable, but politics may be both sometimes good for the organization. Conflict frequently arises in the workplace. Goal incompatibility between groups or individuals, differentiation, task interdependence, scarce resources, ambiguity, and communication problems can all lead to a situation that promotes conflict. The organizational climate and culture are the powerful tools that have tremendous effect on the morale, performance and job satisfaction of the members in any organization. The climate and culture play a vital role in an organization as these are usually associated with the perceptions, ideas, values, beliefs and most importantly the behavior of its players. The paper also attempts literature review, the study highlighting in brief rationale-objectives-methodology. The paper finally after detailed discussion arrives at conclusions.

**Key words:** [Power, Politics Conflict, Culture, Climate]

### Introduction

Organizational Leaders exercise power to accomplish goals of an organization. Sometimes they appear to be powerful is just as important as being powerful. Power is the difference between the two probabilities: (i) the probability of an event occurring by the given action of the power -holder, (ii) the probability of event occurring without the power-holder's action (Jain, 2005). Power is easy to feel and happy to exercise but difficult to define. It is a force that cannot be seen, but its impact can be felt. This is extremely difficult to identify and measure objectively. Researchers (Dahl, 1957) exhibit an aversion to deal with matters of power because it defies precise definition and quantification. Much difficult is due to the multi-dimensional nature of power. It represents the capacity, ability or potential to influence the behavior of other people to achieve a certain goal. It is based on the two tier concept of influencing others and being influenced. It can be potential or enacted. Neither it is completely formal nor informal. It is rather a judicious mixture of the two (Fayaz et al., 2008).

A concept closely related to power in organizational setting is politics, or political behavior. Organizational politics are activities carried out by organizational leaders to acquire, enhance and use power and other resources to obtain their preferred outcomes in a situation where there is uncertainty or disagreement (Moorhead and Griffin, 1992). Political behavior conversely is the general means by which political leaders attempt to use power. The goal of such behavior is to get one's own

way about things. The following points are worth noting in this connection: Power characterizes political action. The action take place when an actor recognizes that achievement of his goals is influenced by the behavior of led. Politicking involves the impact of adversaries by the influential maneuvers of a member of the organization. Organizational Politics also involve the management of influence to obtain ends not sanctioned by the formal organization. Any behavior by organizational members that is self-serving may be termed 'political'. Organizational politics exist wherever people work together. Behavior referred to as politics takes place in varying degrees in all organizations. Not all behavior can be categorized as 'political'. Politics thus should be intentional act of influencing members through the acquired power to enhance collective-interest and advancement.

Organizational conflict, or workplace conflict, is a state of discord caused by the actual or perceived opposition of needs, values and interests between members working together (Yoder 2013). Conflict takes many forms in organizations. There is the inevitable clash between formal authority and power and those individuals and groups affected. There are disputes over how resources should be utilized, how the work should be done and how long and hard people should work. There are jurisdictional disagreements among individuals, departments, and between unions and management. There are subtler forms of conflict involving rivalries, jealousies, personality clashes, role definitions, and struggles for

power and favor. There is also conflict within individuals – between competing needs and demands – to which individuals respond in different ways. Conflict affecting organizations can occur in individuals, between individuals, and between groups. Conflicts within work groups are often caused by struggles over control, status, and scarce resources. Conflicts between groups in organizations have similar origins. Organizational leaders can resolve such conflicts through a rational process of problem solving, coupled with a willingness to explore issues and alternatives and to listen to each other. Culture is an anthropological term that is applicable to organizations too. It represents a pattern of beliefs and behaviors that have been learned from other members of the society. It is, in its broadest sense, the cultivated behavior i.e., the totality of man's learned experience which is socially transmitted. It is most frequently described as custom and includes both actions, man-made objects called artifacts and also ideas (Fayaz et al, 2008). Organizational leaders play a significant role in the area of motivation and the level of economic rewards. They also influence the level of commitment to work on the part of organizational members. Members with altogether different backgrounds or different levels in the organization have a tendency to describe the organizational culture in most similar terms. Actually, organizational culture is a descriptive term. For organizational leaders the study of culture is very important because it conveys some important assumptions and norms governing values, attitudes and goals of organizational members. It also tells members how to perform, and in what fashion. It also allows members to know what is important and what is not. It, thus allows members what are acceptable behaviors and what are not. Organizational culture can exist on several levels which may vary in terms of (i) visibility and (ii) resistance to change.

Although intangible, organizational climate is a real phenomenon, while a precise definition of climate may be lacking, this does not make impossible its existence. In the literature of organizational behavior several different definitions have been advanced and almost all have a greater degree of commonality. Organizational climate is, thus, the manifestation of the attitudes of organizational members towards the organization itself to attract and keep people who fit its climate, so that its patterns are perpetuated at least to some extent (Rao and Narayana, 1998). Organizational climate should be viewed from total system standpoint. There are as many climates as there are people in organizations. There may exist different climates within different departments in

the organization, and sub-climates will be integrated in the similar fashion of integrating attitudes of employees, so as to form the organizational climate. In organizations, there may be differences in climates in different work units, as it is commonly observed. It is because one type of climate may be suitable to one particular unit and the same may be unsuitable for another unit.

### Literature Review

**Salancik and Piffifer (2003)** are of the opinion that power is the ability to get things done the way one wants them to be done. Whereas Griffin and Moorhead (1986) say that power is the potential ability of the person or group to influence another person or group. Robbins (2003) opines that power refers to a capacity that organizational leader has to influence the behavior of organizational members, so that organizational members do something he or she would not otherwise do. Power in the opinion of **Weber (1977)** is the probability that one actor within a social relationship will be in a position to carry out his own will despite resistance. **Pfeffer (2003)** explains that organizational politics as activities carried out by people to acquire, enhance and use to power and other resources to obtain their preferred outcomes in a situation where there is uncertainty and disagreement. **Stoner et al. (2009)** discuss that conflict involves a disagreement about the allocation of scarce resources or a clash of goals, statuses, values, perceptions, or personalities. It is interesting to note that Becker (1982) opines that organizational culture is a system of shared meaning held by members that distinguishes the organization from other organization. Forehand and **Culmer (1964)** opine that the cultural characteristics of an organization are relatively enduring over time and relatively static in their propensity to change. The concept of organizational climate has a long history in the organizational literature. From early writers Litwin & Stringer (1968) to more recent research Ashkenasy, Wilderom & Peterson, (2000) Schneider, 1990). Tagiur (1968) is of the opinion that organizational climate is a relatively enduring quality of the internal environment that is experienced by its organizational members, influences their behavior, and can be described in terms of the values of a particular set of characteristics of the organization. Forehand and Culmer (1964) view organizational climate a set of characteristics that describe an organization and that (a) distinguish one organization from other, (b) are relatively enduring over a period of time, and (c) influence the behavior of people in the organization.

### Objectives

A live society needs dynamic organizations. This is possible only when these organizations are governed by effective leaders. It is in this backdrop this paper has been attempted. Further, the paper pursues the following objectives: (i) to have conceptual understanding of power, politics, conflict, culture and climate (ii) to discuss impact of the above on effective leadership to govern an organization (iii) to arrive at conclusions to guide in future course of action. The paper primarily is based on available literature. Varied books, professional journals and web sites have been browsed. Expert opinion of subject matter specialists have been obtained during the course of preparation of this paper

### Discussions

Existence and use of power is indigenous to every organization. So it is very important from organization point of view. The importance of power in an organization can be judged from that there are so many jobs in an organization and each job has its different value to the organization. Some jobs are more important for organizational survival and growth than others. The importance of job itself brings power to those job holders regardless of the individual and their leadership qualities. Such job holders influence the decisions. The importance of power lies in the fact that leaders in organizations itself allocates the power to the persons. It does so in two ways by creating hierarchical levels, i.e., structural power, and by dividing work among members resulting into specialization, i.e., functional power. The organization gives the authority to its members having structural power in order to enable them to play their roles assigned to them in that hierarchical chain. The higher the hierarchical level the greater the amount of authority. It means structural power is institutionalize power. But simply holding the power does not make the position-holder powerful unless he makes use of it. If he does not question the erosion of his power, it will weaken. Functional power is derived from the fancier's, one performs, i.e., the jobs that one does. Division of labor and specialization provide the dependence upon one another. That dependence creates power. The important job an individual does; the greater is his power. The power is increased by the skill, experience, access to higher persons and information. Thus, the power position in an organization is very important. The organization must consider the power centers before taking any decision.

Power refers to the possession of authority and influ-

ence over others. Power is a tool that, depending on how it's used, can lead to either positive or negative outcomes in an organization. In 1959, American sociologists John French and Bertram Raven published an article, "The Bases of Power," that's regarded as the basis for classifying power in organizations. They identified five sources of power as exhibited in Figure 1.

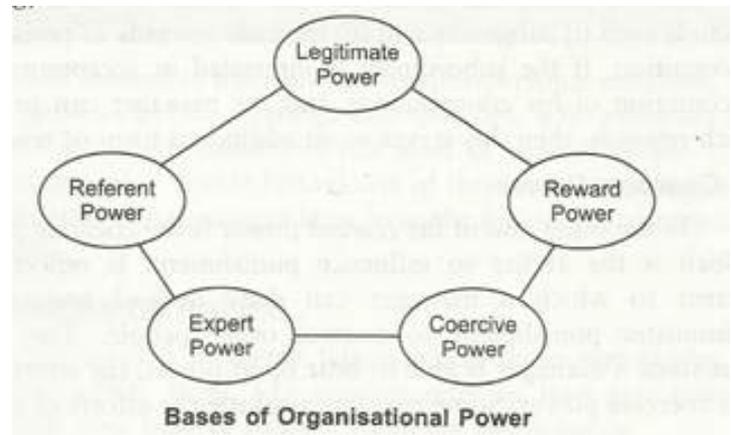


Figure 1

The dynamics of power can be studied from several angles exhibited in Figure 2

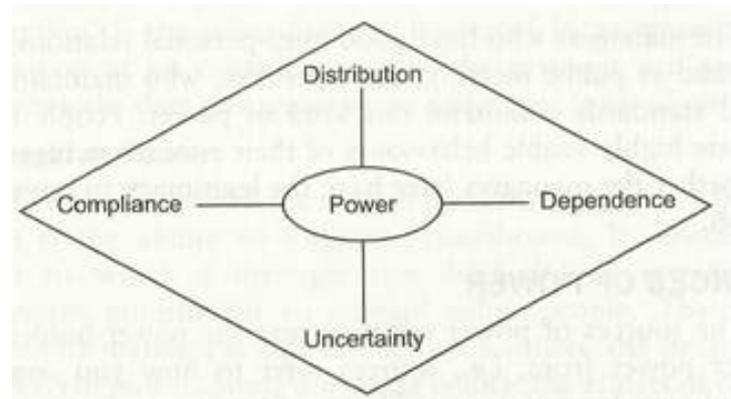


Figure 2

The political behavior of individuals in the organization is influence by variety of factors. These factors can be broadly categorized into individual and organizational factors as exhibited in Figure 3

Individual Factors: There are individual factors where individuals play politics to satisfy their personal needs. These personal or individuals needs are like to gain power for control and to influence decision-making process of the organization. The aim of such individuals is to increase the area of their influence. They try to sustain power as it helps to obtain personal needs and fulfill desires. In organizations, individuals play politics as they have great desire and high need of gaining power. Such types of individuals are basically internals and

self monitored people. There are many individuals who play organizational politics because of their expectation of quick success in life.

**Organizational Factors:** There are some of the organizational factors that influence the individuals to play politics in the organization. When there are limited resources in the organization then every organizational leader wants to have optimal resource utilization. It results in making individuals getting engaged themselves in politics to get the maximum advantage of the distribution of resources. The interpretation of limited resources like position, power, promotion etc in the organization makes individuals engage in the politics. The individual who craves for such resources feels that they may be deprived of such resources in the process of distribution of resources and so they play politics in the organization. There are some individuals who take advantage of the situation where there is uncertainty and ambiguity in decision-making because of unclear rules and policies. The individuals tend to play politics in the organization when performance evaluation and its outcome are subjective, qualitative and unclear. The individuals play politics when they are enforced with high performance pressure. The politics playing in the organization becomes measure to pressurize authority to withdraw control and lower the performance target. Democratic and participative decision-making culture of the organization is also liable to organizational politics as every individual wants to enhance his/ her importance and thereafter give opinion on crucial and important matters. The lower level persons get affected when they experience persons at higher level playing politics.

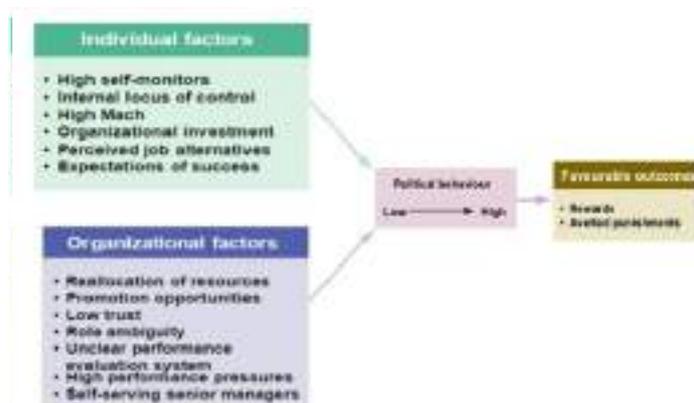


Figure 3

Conflicts emerge at the workplace due to individual and inter-individual factors. Individual related causes entail attitudes, beliefs, personality orientation. Inter-individual conflicts arise when a leader breaches norms of the

organization. A variety of factors exhibited in Figure 4 influence organization conflict.

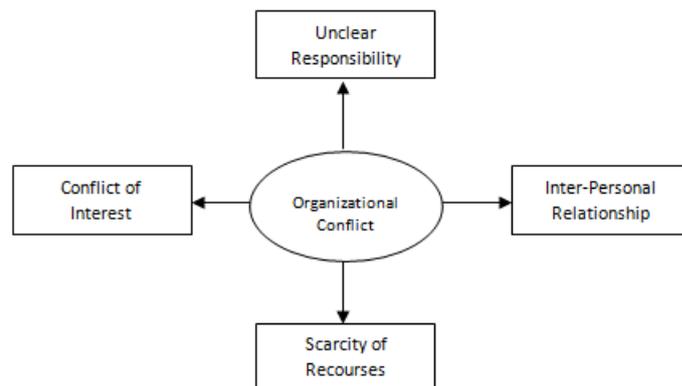


Figure 4

There are a number of types of organization conflicts as exhibited in Figure 5

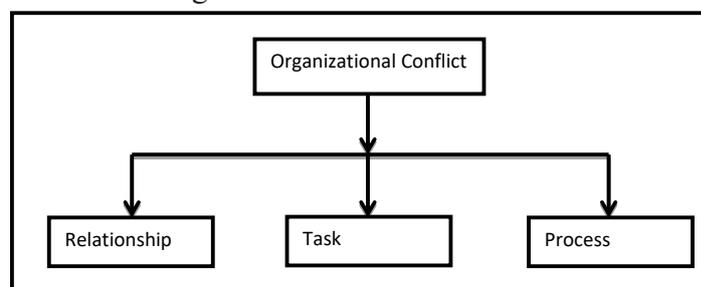


Figure 5

The causes of organizational conflict are exhibited in

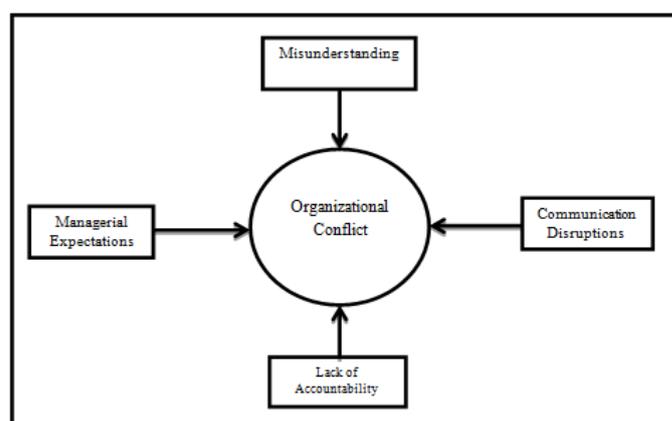


Figure 6

he causes of organizational conflict are to be known; to resolve them as early as possible, because it hinders the efficiency, effectiveness and productivity of the employees and the organization as well, which ultimately hampers its success.

Every organization has its unique style of working which often contributes to its culture. The beliefs, ideologies, principles and values of an organization form its culture. The culture of the workplace controls the

way members behave amongst themselves as well as with people outside the organization. A healthy culture encourages the members to stay motivated and loyal towards the organization. Members try their level best to perform better than their fellow workers and earn recognition and appreciation of the superiors. It is the culture of the workplace which actually motivates the members to perform. Every organization must have set guidelines for the members to work accordingly so that every individual is clear about his roles and responsibilities in the organization and know how to accomplish the tasks ahead of the deadlines. No two organizations can have the same work culture. It is the culture of an organization which makes it distinct from others. The work culture gives an identity to the organization. In other words, an organization is known by its culture. The members must be treated equally and no one should feel neglected or left out at the workplace. It is essential for the members to adjust well in the organization culture for them to deliver their level best. The culture gives the members a sense of unity at the workplace.

Certain organizations follow a culture where all the members irrespective of their status/ designations have to step into the office on time. Such a culture encourages one to be punctual which eventually benefits in the long run. It is the culture of the organization which makes the individuals a successful professional.

The workforce is clear with roles and responsibilities and strives hard to accomplish the tasks within the desired time frame as per the set guidelines. Implementation of policies is never a problem in organizations where people follow a set culture. The new incumbents also try their level best to understand the work culture and make the organization a better place to work. No one treats work as a burden and moulds himself according to the culture. In a culture where organization is very particular about the reporting system, the members however busy they are would send their reports by end of the day. No one has to force anyone to work. The culture develops a habit in the individuals which makes them successful at the workplace. The various types of organization culture are shown in Figure 7

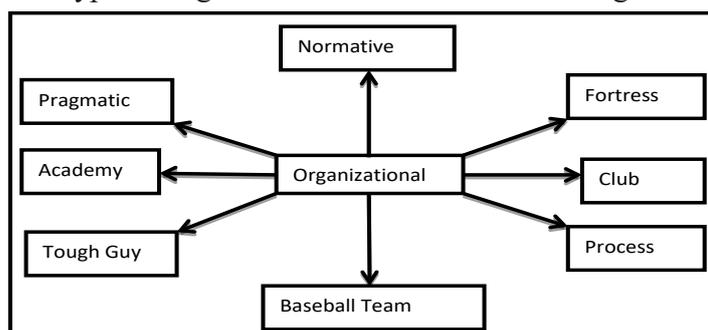


Figure 7

Organizational climate reflects the work environment and relationships and has been regularly shown to have an impact on work-related outcomes and aspects of organization performance (e.g. Patterson, Warr & West, 2004). Despite ongoing debates as to the theoretical status and measurement of organizational climate (James & Jones, 1974; Schneider, 2000) and how climate differs from the concept of organizational culture (Denison, 1996; Payne, 2000), there is a general consensus regarding the definition and underlying assumptions of organizational climate.

Organizational climate is the shared perceptions of and the meaning attached to the policies, practices, and procedures employees experience and the behaviors they observe getting rewarded and that are supported and expected (Ostroff et al. 2003, Schneider & Reichers 1983).

### Conclusion

The paper arrives at this conclusion to get the things done. There may be resistance from organizational members. Organizational leaders must have the capacity to influence organizational members. The writ of organizational leaders in an organization must prevail for execution. Organizational leaders perform in a state of uncertainty in the external environment and disagreement among the organizational members. The organizational leader in such a situation has to exhibit his wit and to be able to achieve outcome by putting in collective efforts by the organizational members. Much of the organizational conflict is experienced because of communication of wants, needs and value pursued by organizational members. Thus organizational leaders have to be fully abreast with all these sensitive subjects. The six characteristics as identified by John Campbell (i) individual (ii) autonomy (iii) structure (iv) reward (v) consideration and (vi) conflict. The organizational leader has to perform in this very framework in order to achieve organizational goals. The task to be performed by the organizational leader to make a change in the behavior of organizational members as organizations is distinctive and evolving over the period

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## Service Quality and Customer Satisfaction – A Study at VRL Logistics, Bengaluru

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### Abstract

Logistics service quality has been an important dimension in service industry. A rapid growth of logistics industries in India has been observed in past decade. It is a business game among several new service providers, technology and infrastructure that will determine whether the logistics industry is capable to satisfies its customers to reduce their transportation and logistics costs and provide efficient services or not? Road transport brings about greater mobility in the country. VRL Group, is an Indian conglomerate headquartered in Hubballi, Karnataka, India with operations in around 23 states and 4 union territories in the country. Business operations of VRL Group include road transportation, logistics, cargo etc. VRL Group is one of the large logistics and transport companies in India (incl. 4360 vehicles, comprising 419 tourist buses and 3941 transport goods vehicles). Hence it is customer service and service quality parameters which is going on to give the competitive edge to any industry in the future. This study was conducted to understand the customer perceptions and their satisfaction level related to the service quality provided by VRL Logistics, Bengaluru. The service quality attributes considered in the study are: Comfort and convenience, booking facilities, sitting convenience for passengers, Schedule and operations, Crew behaviour, Cost, hygiene, and other aspects etc. This study demonstrates how service quality is offered to customers in a way that makes them feel safe and secure while travelling. This study is an attempt to determine what can company do to improve their service in order to meet the needs of their clients. This research also highlighted the company's strengths, weaknesses, opportunities, and threats, all of which encourage the company to improve their hospitality services.

**Keyword:** [Logistics, Customer Perception, Service Quality, Customer Satisfaction]

### Introduction

Logistics has become a backbone of all business for economic growth; logistic industry is one of the fastest growing industries in the world. Nowadays it has become lead to depletion of operating cost and even to been made better in carriage of performance. Logistics also helps in customer's levels of satisfaction, the operating research study on logistic management which still mainly make a centre of attraction on the cultural sector that includes inventory production, planning process, and transportation management.

The Indian supplying trade has returned a protracted means from being a labour intensive throughout 60s to the current technology-oriented system that has big selection of supplying services. Nowadays the logistics industries are using Third party logistics concept which they are following in the logistic industries.

Logistics transportation and travels form the foundation of infrastructure for millions of people and the business relay towards the extensive inter related network, industry has the wide function, where it as most important impact towards the public's standard of living, Coordination management is the section of inventory network management that makes designs, presents, and makes control of proficient, pushing forward.

### About VRL Logistics

VRL was founded in 1976 by DR. Vijay Sankeshwar in

Gadag, a small town in North Karnataka with a single truck and a vision that was way ahead of its time. VRL gradually expanded its services to Karnataka, Andhra Pradesh, Kerala, Maharashtra and Goa etc. and have become world class customer and thus expect world service. Company. VRL has today grown into a nationally renowned logistics and transport company which is also currently the largest fleet owner of commercial vehicles in India with a fleet of 4835 Vehicles (Including 362 Passenger Transport Vehicles & 4473 Goods Transport Vehicles amongst others). VRL finds mention in the Limca Book of Record as the largest fleet owner of commercial vehicles in India in the Private Sector. The company has also a fast-express cargo service, the company recently started Air chartered business in 2008 and recently they have purchased premier aircraft for the company's special work purpose, commercial use, and VIP transportation and Advertisement purpose.

Hence it is customer service which is going on to give the competitive edge to any industry in the future. The data for the study was collected from commuters who used VRL logistics services, to understand their perceptions about the quality of services and its impact on customer satisfaction The attributes for the service quality considered under study are: Comfort and convenience, Schedule and operations, Crew behaviour, Cost and other aspects. The findings of the study would help the transport operators of VRL logistics in designing specific services with sharper focus on different commuter categories.

### Defining Customer Satisfaction

There exist varying definitions of customer satisfaction from different researchers. Elvira & Shpetim (2016) define consumer satisfaction as the client response to the perceived service based on personal expectations and the service's actual performance. On the other hand, Khan et al. (2017) defines customer contentment as the client's evaluative reaction in relation to a service or product performance based on their anticipations towards the service. Moreover, Farooq & Salam (2018) state that customer satisfaction refers to how a service's perceived performance matches or surpasses customer expectations. Ideally, the inability of service to meet customer expectations leads to dissatisfaction. These definitions by various authors depict satisfaction as a general post service evaluation by a customer.

### Theoretical Background of the Study

Most companies and researchers alike have had significant interests in the aspects of customer satisfaction and service quality. As is common to all organisations, the fundamental objective in business is to minimise costs and increase profits—the surest way to achieve profit increases through increased sales (Zameer et al., 2015). As has been noted by most researchers, customer satisfaction is the main driving force behind increased sales (Elvira & Shpetim, 2016). Customer satisfaction results in customer loyalty which contributes to repeat purchases and recommend the product or service to family and friends

In the ancient business days, the main focus was marketing products to customers. However, according to current trends, businesses have shifted towards enhancing customer satisfaction as the pivotal point to drive sales (Farooq & Salam, 2018). Currently, more focus has been drawn towards consumers compared to product marketing and consumption. Customer satisfaction is built on the quality of services offered by an enterprise (Sharma & Srivasta, 2018). With a better service quality in place, the organisation is assured of increased sales because their consumer base shall be reliable and stable. This factor results in constant profits for the organisation, which in the long run boosts overall performance.

### The SERVQUAL Model

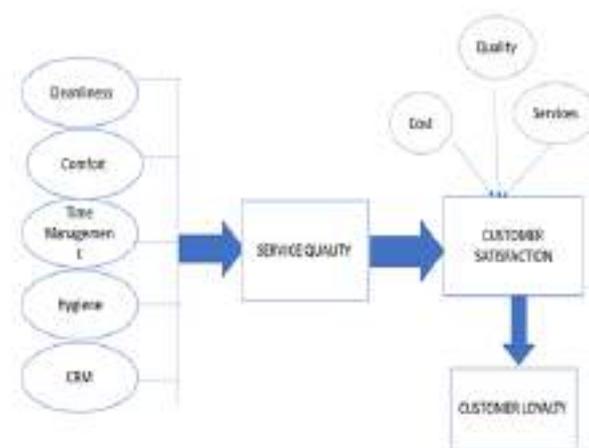
This model was developed with the main objective of establishing shortfalls in service provision. In this technique, customers get to evaluate and assess the quality of service offered within a certain industry by comparing their service expectations with the actual service. Typically, the

SERVQUAL model attempts to measure customer demands and individual perceptions (Danish, 2018). Here Q (quality gap) is derived through the subtraction of E (expectation) from P (the perception value). This factor leads to equation  $Q=P-E$ . A combination of all Q values helps determine the service rating amongst various customers (Hapsari et al., 2017). This factor serves as an indicator of how the service quality dimensions are influenced by customer perception. The SERVQUAL model is considered standardised because it can be applied within a broad spectrum of industries, including the logistics industry. The SERVQUAL scale comprises two sections; the first section is used to evaluate customer expectations concerning service quality. The second section is used to measure customer perception concerning the industry providing the service (Fida et al., 2020). The SERVQUAL model is made up of twenty-two items, also known as “likert-type.” Moreover, it comprises the five-dimensional aspects like empathy, tangibles, responsiveness, assurance, and reliability to be the five considerations of service quality which in the current study are taken as Cleanliness, Comfort, Time Management, Hygiene, Customer Relationship Management (D1-D5) respectively. Study focusses to measure the service quality of a logistics company to improve customer satisfaction and loyalty. Customer satisfaction is measured to ensure that customers may continuously use the Transportation services and would also recommend the service providers based on the service quality to other potential users.

Figure 1

### Conceptual Research Model used in the study

Importance of Customer Satisfaction  
 With regards to the aspect of operations management, customers are central to any business. Before determining the strategies to apply or the type of business structure to



implement, every business 2 entity should have its cus-

tomers in mind (Elvira & Shpetim, 2016). According to Esther & Bambale (2016), during the strategic planning phase, common questions that may arise include who consumers of the services shall be, what's their location, how much are they willing to spend on the service, how can they be reached, and how likely are they to get satisfied with the services offered? After evaluating these factors regarding its potential customers, the organisation can develop the desired product, perform market segmentation, and increase customer awareness (Esther & Bambale, 2016). This scenario, therefore, depicts the importance of customers in any business undertaking especially the users of transport services

### Literature Review

The performance of service delivery can be determined by Parasuraman et al. (1988) regarding the gap between customer expectations of services and their perceptions of service provision offered by service companies. This can be measured using the SERVQUAL scale in the form of an instrument to measure the performance of service delivery for all types of service companies. Furthermore, this study modifies the service delivery performance measurement by Mentzer, Flint, & Hult (2001) with instruments tailored to logistical characteristics, including timeliness, order accuracy, information quality, assurance, and personnel contact quality.

**Nizamuddin et al. (2021)** in their studies conducted at Kota Bharu, Kelantan observed that the price of a bus ticket is the most important element in determining a passenger's selection. This study used a quantitative approach, with a total of 384 respondents using express buses to get to their destinations. The hypothesis that the parameters are positively associated to the passenger's preferences was evaluated in this study. Cronbach's Alpha was also used to examine the dependability and Pearson Correlation. The outcomes of this study suggested that characteristics like accessibility, convenience, and safety have a significant influence in encouraging people to use public transit.

**Chaudhary (2020)** The study was conducted at Ahmedabad, Surat, and Rajkot in Gujarat, India to capture the demand side quality of services and to see if commuter's impressions of the quality of services provided by Bus Rapid Transit systems varies across demographic cohorts. The SERVPERF model was used to investigate the performance of the city's BRT networks. The performance is judged on six different criteria: tangibles, empathy, clean-

liness, reliability, safety, and affordability. Surat was determined to be the best of the three cities in terms of service quality, followed by Rajkot and Ahmedabad. Additionally, commuter's perceptions of service quality differ by demographic groups such as gender, journey time, education, employment level.

**Hamid (2019)** The study was conducted to observe the impact of IT on marketing strategies of online travel agencies in India. In the previous 5 years, travel and tourism industry of India has selected technologies, modern trends, and marketing strategies and given an advanced dimension to this sector. Marketing strategies of Online Travel Agencies include all the activities in the field of marketing which directly deal with the analysis of the initial strategic situation of a company and the formation, 294 evaluation, and selection of market-centred strategies and contribute to the aims of the company and its marketing objectives. This paper dwells on the present marketing strategies scenario of OTAs in India. The authors have given some recommendations for better integration of Marketing Strategies and use of Information Technology to flourish Online Travel business.

**Rowell (2019)** The study observed that that customer satisfaction reflects the quality of Transportation service in Cabanatuan City. The study used the descriptive and quantitative method of research. It is a combination of two models descriptive and quantitative. More specifically, the study aimed to know the relationship between respondent's socio-demographic profile and the level of satisfaction and how significant is the difference between customers and employee's satisfaction. The study used statistical data to analyse the results using Pearson Product Moment Correlation to measure the relationship of the socio-demographic profile and t-test for the significant difference on the customers and employee's satisfaction, and Cronbach's alpha was executed on a sample size of 206. The findings also showed the high expectation of customers which need to be addressed by the Roadways transportation companies.

**Sokchan & Hengsadekul, (2018)** examined and explored the consumer expectation on service quality of bus transport through the SERVQUAL's 5 dimensions such as tangible, reliability, assurance, empathy, and responsiveness. The independent variable used throughout this study is overall satisfaction with bus transport service. Independent variables are specific service quality attributes which consist of service given, access, availability, time and environment. The study showed that passengers prefer BTS

service more which is ranked last in “Suitable Travelling” against other factors, and they wish to travel in the same because of no choice. Understanding customers’ needs and their expectations before implementing the suitable service strategy to meet the customers’ needs was important parameter in transportation services.

**Research Methodology**

**Statement of Problem**

Service quality is a characteristic that involves extra effort by a service provider. VRL aims at achieving excellence customer satisfaction at all departments while charging moderate prices. This study helps to make progress of VRL towards the service, quality, cost, time management, CRM, safety and cleanliness given by company to consumers. Even this study is needed to know about the extra efforts by a service provider. And also, to know about the customer satisfaction towards the service quality.

**Objective of Study**

1. To identify different factors considered under service quality at VRL logistics Ltd.
2. To analyse the impact of factors of service quality on customer satisfaction at VRL logistics.
3. To identify the preference of passengers based on their demographic characteristics.
4. To study the safety measure adapted by company during service provision.

**Scope of Study**

The main purpose of this study is to analyse the impact of service quality parameters on the customer satisfaction through descriptive research. The study focusses on significant relationship between the five dimensions of service quality (tangibility, reliability, responsiveness, assurance and empathy) or SERVQUAL and commuter’s satisfaction. The findings generally will the different factors of

service quality and safety measures of VRL etc.

**Hypothesis**

- a) Analysis 1:
  - H0: There is no significant impact of service quality parameters on customer satisfaction
  - H1: There is significant impact of service quality parameters on customer satisfaction
- b) Analysis 2:
  - H0: There is no significant association between gender and how often people use VRL logistics ltd.
  - H1: There is significant association between gender and how often people use VRL logistics ltd.

**Sample Design**

- Convenience sampling technique
- Sampling size- 150 respondents who used VRL Transportation services at Bengaluru

**Instrument Design**

- Questionnaires: A questionnaire was designed, and respondents were asked to fill up and their own.
- Likert Scale: 5-point Likert scaling technique was used to record the respondent’s response

**Statistical Tools**

- Regression test
- Chi square test
- Dependent Variable= Service Quality
- Independent Variable= Customer Satisfaction

**Source of Data**

Data is gathered through primary and secondary data. A questionnaire was provided to VRL customers in Bangalore and customers were interviewed directly to record their responses for Primary data. Secondary data was sourced from already available in the company’s website, internet, journals, annual reports, and other sources etc

**Results and Discussion - Descriptive Analysis on Sample**

**5.1: The table below shows how respondents were classified by age.**

Age	Respondents	Percentage
10 – 20	12	8%
21 – 30	55	36.7%
31 – 40	36	24%
41 – 50	30	11.3%
More than 50	17	8%
Total	150	100%

**5.2: Table Showing Gender-wise Classification of the Respondents**

Gender	Respondents	Percentage
Male	76	50.7%
Female	72	48%
Others	2	1.3%
Total	150	100%

**5.3: Table Showing Respondents Monthly Income Classification.**

Income per month	Respondents	Percentage
Below 50,000	55	36.7%
50,000 - 2,00,000	24	16%
2,00,000 - 5,00,000	7	4.7%
Above 5,00,000	6	4.0%
Prefer not say	58	38.7%
Total	150	100%

**5.4: Table Showing Education Qualification of Respondents**

Education Qualification	Respondents	Percentage
Secondary School	15	10%
Bachelor's degree	66	44%
Master's degree	35	23.3%
Doctorate degree	8	5.3%
None of the above	26	17.3%
Total	150	100%

**5.5: Table Showing the Frequency of Usage of VRL Travel Service**

Particulars	Respondents	Percentage
Weekly	51	16.7%
Monthly	50	33.33%
6 Months	25	34%
Yearly	24	16%
Total	150	100%

**5.6: Table shows that how people come know or aware about VRL Logistics**

Particulars	Respondents	Percentage
TV	20	13.3%
Newspaper	38	25.3%
Magazines	21	14%
Word of Mouth	56	37.3%
Others	15	10%
Total	150	100%

**5.7. Table shows about other service which the customer uses other than VRL**

Particulars	Respondents	percentage
SAM	20	13.33%
SRS	31	20.7%
KSRTC	76	50.7%
Others	23	15.33%
Total	150	100%

**5.8: Table Showing the Parameters for which Customers Choose VRL Logistics Service**

Particulars	Respondents	Percentage
Cost	15	10%
Time	34	22.7%
Quality	47	31.3%
Services	42	28%
Others	12	8%
Total	150	100%

**5.9: Table showing the level of satisfaction with VRL which made impact on its customers**

Particulars	cost		Time Management		Comfortable	
	Respondents	Percentage	Respondent	Particulars	Respondents	Percentage
Strongly Dissatisfied	11	7.3%	7	4.7%	8	5.3%
Dissatisfied	11	4.7%	7	9.3%	8	9.3%
Neutral	62	41.3%	56	37.3%	56	37.3%
Satisfied	49	32.7%	52	34.7%	52	34.7%
Strongly Satisfied	21	14%	21	14%	20	16%
Total	150	100%	150	100%	150	100%

Particulars	Customer Relationship Management		Freight Charges and Schedule		Cleanliness	
	Respondents	Percentage	Respondents	Percentage	Respondents	Percentage
Strongly Dissatisfied	6	4%	6	4%	8	5.3%
Dissatisfied	6	7.3%	6	10%	8	6.7%
Neutral	58	38.7%	55	36.7%	59	39.3%
Satisfied	46	30.7%	50	33.3%	48	32%
Strongly Satisfied	29	19.3%	24	16%	25	16.7%
Total	150	100%	150	100%	150	100%

**5.10: Table Showing Customer Relationship Management with VRL**

Particulars	Respondents	Percentage
Very likely	28	18.7%
Likely	58	38.7%
Neutral	45	30%
Unlikely	7	4.7%
Very Unlikely	12	8%
Total	150	100%

**5.11: Table Showing Willingness of Customers to Use VRL Logistics in the Future**

Particulars	Respondents	Percentage
Yes	67	44.7%
May be	63	42%
No	20	13.3%
Total	150	100%

**5.12: Table showing safety measures which is adopted during the service provision**

Particulars	Sitting and Coach		Online Booking		Water or Beverages Provided	
	Respondents	Percentage	Respondents	Percentage	Respondents	Percentage
Strongly Dissatisfied	11	7.30%	5	3.30%	10	6.70%
Dissatisfied	8	5.30%	13	8.70%	9	6%
Neutral	55	36.70%	52	34.70%	55	36.70%
Satisfied	52	34.70%	54	36%	43	28.70%
Strongly Satisfied	24	16%	26	17.30%	33	33
Total	150	100%	150	100%	150	100%

Particulars	Speed of the Driver		Single Lady/Single Person Passenger	
	Respondents	Percentage	Respondents	Percentage
Strongly Dissatisfied	7	4.70%	6	4%
Dissatisfied	13	8.70%	11	7.30%
Neutral	51	36%	54	36%
Satisfied	43	28.70%	47	31.30%
Strongly Satisfied	36	24%	32	21.30%
Total	150	100%	150	100%

Particulars	First Aid Kit, Emergency Exit or Other Safety Precautions		Travelling Insurance	
	Respondents	Percentage	Respondents	Percentage
Strongly Dissatisfied	10	6.70%	4	2.70%
Dissatisfied	11	7.30%	16	10.70%
Neutral	48	32%	57	38%
Satisfied	51	34%	49	32.70%
Strongly Satisfied	30	20%	24	16%
Total	150	100%	150	100%

**5.13 Inferential Analysis**

**Analysis: 1**

Statistical tool used: Regression test

Dependent variable: Customer satisfaction

Independent variable: Service quality parameters (cost, quality, services)

H0: There is no significant impact of service quality parameters (cost, quality, services) on customer satisfaction

H1: There is significant impact of service quality parameters (cost, quality, services) on customer satisfaction

**5.13.1: Table Showing the Inferential Analysis of Cost on Customer Satisfaction**

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	8.740	1.362	.710	6.417	.000
Cost	4.690	.382		12.275	.000
Dependent Variable: Customer satisfaction					

Analysis: Since P value =0.00 less than 0.05, H0 is rejected at 5% level of significance, hence we conclude that there is significant impact of cost on customer satisfaction.

**5.13.2: Table showing the inferential analysis of Quality on Customer satisfaction**

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.947	1.421	.748	4.185	.000
Service	1.355	.099		13.702	.000
Dependent Variable: Customer satisfaction					

Analysis: Since P value =0.00 less than 0.05, H0 is rejected at 5% level of significance, hence we conclude that there is significant impact of service on customer satisfaction

**5.13.3 Table showing the inferential analysis of Service on Customer satisfaction**

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.809	.544	.970	-1.488	.139
Service	1.819	.037		48.549	.000
Dependent Variable: Customer satisfaction					

In Analysis: Since P value =0.00 less than 0.05, H0 is rejected at 5% level of significance, hence we conclude that there is significant impact of service on customer satisfaction

**Interpretation:** Since P value of all above the service quality parameters are equal to 0.00 less than 0.05, H0 is rejected at 5% level of significance, hence we conclude that there is significant impact of service quality parameters on customer satisfaction

**Analysis: 2**

Statistical tool used: Chi-square test independent of attributes (Nonparametric test)

**Variable 1:** Gender (Nominal scale)

Variable 2: How often people use VRL logistics services (Nominal scale)

H0: There is no significant association between gender and how often people use VRL logistics ltd.

H1: There is significant association between gender and How Often People Use VRL Logistics ltd.

**5.19: Table Showing the Inferential Analysis of Gender and how often people use VRL Logistics Ltd.**

Gender	How often people use VRL logistics services				Total	Chi-square test	P value
	Weekly	Monthly	6 Monthly	Yearly			
Male	15	19	29	13	76	8.238	0.221
Female	9	31	21	11	72		
Others	1	0	1	0	2		

Interpretation: Since P value is 0.221 is greater than 0.05 H<sub>0</sub> is accepted at 5% level significance. Hence, we conclude that there is no significant association between gender and how often people use VRL logistics ltd.

### Findings

From the data following facts were observed out of the responses from 150 respondents: -

- Most of the respondents age was between 21-30 years of age
- Almost 38.7% of the respondents prefer not to say their income and even 36.7% of respondent's income comes under below 50000 which almost equal to the respondent prefer not to say
- Most of the respondents 44% were bachelor's degree holders
- Male respondents were more than females.
- Respondents often use VRL service monthly and half yearly are almost in the same level according to their convenience period to travel.
- Most of the people were familiar of VRL logistics name by the word of mouth which comes to 37.3% of respondents
- Almost 50% of respondents uses KSRTC other than VRL due to their convenience and available of the KSRTC bus at any time.
- Out of 150 respondents 41.3% were neutral for the cost of VRL logistics ltd followed by 32.7% satisfied, 14% strongly satisfied, 7.3% strongly dissatisfied and 4.7% dissatisfied.
- Out of 150 respondents 37.3% were neutral with Time management of VRL logistics ltd followed by 34.7% satisfied, 14% strongly satisfied, 9.3% dissatisfied, 4.7% strongly dissatisfied.
- Out of 150 respondents 38.7% were neutral with customer relationship management with VRL logistics ltd followed by 30.7% satisfied, 19.3% strongly satisfied, 7.3% dissatisfied, 4% are strongly dissatisfied.
- 36.7% were neutral for freight charges and schedule with VRL logistics ltd followed by 33.3% satisfied, 16% strongly satisfied, 10% dissatisfied, 4% strongly dissatisfied.
- 39.3% opted neutral for cleanliness in VRL logistics ltd followed by 32% are satisfied, 16.7% strongly satisfied,

6.7% dissatisfied, 5.3% strongly dissatisfied.

- Most of the respondents i.e., 38.7 would likely to continue to use VRL logistics service
- 38.7% respondents would recommend others about the VRL logistics Traveling services.
- 34% respondents were satisfied with first aid kit, emergency exit or other safety precautions provided in the bus services followed by 32% are neutral, 20% are strongly satisfied 7.3% are dissatisfied, 6.70% are strongly dissatisfied.
- 36.70% respondents were neutral with water or beverages provided followed by 28.70% satisfied, 22% strongly satisfied 6.70% strongly dissatisfied 6% dissatisfied,
- 36% respondents were satisfied with the online booking followed by 34.70% neutral, 17.30% strongly satisfied, 8.70% dissatisfied, 3.30% dissatisfied
- Most of the respondents satisfied with online booking safety measures
- Since P value of the service quality parameters were equal to 0.00 less than 0.05, H<sub>0</sub> is rejected at 5% level of significance, hence we conclude that there is significant impact of service quality parameters on customer satisfaction at VRL logistics services.
- Since P value is 0.221 is greater than 0.05 H<sub>0</sub> is accepted at 5% level significance. Hence, we conclude that there is no significant association between gender and how often people use VRL logistics ltd.

### Suggestions

- The segment of the customers who were dissatisfied with the online booking the company need to focus on them to make satisfy by proving their necessary facilities.
- Some Respondents were dissatisfied with the level of cleanliness and hygiene of drinking water provided by VRL due to not proper maintenance or provided.
- Some members not satisfied with the safety and where the company need to analysis their requirements to-

wardsit.

- Most people use other buses according to their convenience where the VRL travels are innotavailable at all the time. So,the company needs to focus on providing morebus services at frequent intervals of time.
- Respondents said that the service provided at peak time would be poor due shortage of busses in the peak time.Even the company need to see the needs and wants of th eend-users.
- Some respondents were dissatisfied with the cost where they are comparing with the normal bus fare. This could be addressed by the company services.
- Where the most people responded that that the toll-free number of VRL was always appeared busy, hence it becomes difficult for the travellers to talk with the customer care representatives
- People said that they are strongly dissatisfied with time management due to not proper maintenance time management. The company need to improve their time management

### Conclusion

From the study on service quality of VRL logistics ltd. where the service quality parameters were primary objective towards customer satisfaction. Service makes a consumer happy which the service is given from the company. After obtaining the Service quality data collection by respondent was seen that the respective customers were neither highly satisfied nor highly dissatisfied by the VRL Logistics service, therefore the company should concentrate on the Service quality till they got to know about their customers are highly satisfied with the VRLLogistics ltd.

The analysis of the data of the customers has shown that there is impact of service quality parameters on customer satisfaction and the parameters of service quality which includes cost, service, quality if the company improves or upgrades the overall service quality the VRL logistics can easily gain the competitive advantage by satisfying the customer's expectations.

According to the data analyzed, nearly 45 percent of respondents indicated they would refer VRL services to others. Based on the overall study of the company the service quality of VRL is not bad.Vijayanand travels is one of the nationally renowned and transport company in South India. The company is having the very good brand image in the customer's mind. And it is marketing its product under the brand name of "VRL". The employees in Vijayanand travels are hardworking and dedicated. The company hasincreasingprofit and network and would be a sustain-

able brand if it could focus more on service quality parameters as per customers' requirements observed in the study.

### Limitation and Further Research

The scope of this research is in the city of Bengaluru, meaning that the results of this study cannot be used to generalize to other areas. Furthermore, this study was conducted only at one time for VRL Logistics only and not other service providers in Transport. Future researchers are expected to be able to carry out analyzes in other fields, different time frames, and even different industry categories. This study is limited to analyzing the role of service delivery performance and value congruity related to customer satisfaction only. Therefore, it is hoped that further research will further explore other elements and test additional variables such as service innovation and value co-creation keeping into account customer loyalty, customer experience etc.

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## A Review of the Literature on the Vital Role of Leadership in Organizations

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### Abstract

What is leadership, exactly? Every time they select a new leader or develop their existing leaders, executives ask themselves this question. Before making choices about their leadership, organisations must comprehend the foundations of leadership. Leaders do not emerge out of thin air. It takes a lot of time and work to develop the necessary skills and abilities to be a successful leader. Though knowing the concept of leadership is essential for a leader's development, training is often regarded as the key to developing leaders. This essay's goal is to investigate the relevance of leadership in organisational effectiveness. The paradigm shift concept has underlined that the volunteer administrator must act as the leadership's central point of focus. The foundation of this work is laid forth in a thorough survey of recent literature. The conceptualization of the role and efficacy of leadership in organisations makes an important contribution to the literature on leadership.

**Keywords:**[Leadership, Leadership Attributes, Organization Effectiveness, Metaphoric Concepts]

### Introduction

According to Du Brin et al. (2006), the Australian entrepreneur Bussau exercised leadership because he inspired, encouraged, and motivated individuals to effect positive change. To be an effective leader, Du Brin (1998) argued, "One has to make a difference and facilitate positive changes." The ability to motivate and inspire others to accomplish desirable goals is a trait shared by all leaders. People who are capable of doing these significant tasks are leaders. Leadership is the capacity to instil trust and support among those who are required to realise organisational objectives (Chan and Maubourgne, 1992).

According to Bass (1989), "there are three basic ways to describe how people become leaders," Bass (1989) said "there" three "three" basic ways to explain how people become leaders." Bass (1989) stated "there" Moreover, three key contentions have been presented by the literature of the leadership development for a limited number of people. According to the characteristic theory, several personality features may naturally position individuals for leadership positions. According to the great event theory, a crisis or significant event may inspire someone to rise to the challenge, bringing forth outstanding leadership abilities in a regular individual. However, the transformational leadership theory, which is thought to be the most widely recognised theory today, outlined how individuals may decide to become leaders and how they could acquire leadership qualities.

### Conceptualization of Literature Metaphoric Concepts of Leadership

Marc (2005) mentioned that at leadership development

programs, they typically eschew answering this question with a declarative, "Leadership is..." sort of response. Their vagueness is deliberate rather than as The material presented by the author(s) does not necessarily portray the view point of the editors and the management of the Asian Institute of Advance Research and Studies(AIARS). Any remaining errors or omissions rest solely with the author(s) of this paper. Citation:Ali,A.(2012).The Crucial Role of Leadership in Organizations:A Review of Literature. International Journal of Independent Research and Studies,1(4),153-161.

There are too many concepts and abstractions in leadership for there to be a single definition, making it an obfuscator. Some of the metaphorical ideas can be found in leadership (Marc, 2005). An instant part of what it means to lead is to go forward and say, "This way, follow me," when the opportunity arises. However, we discover that once the moment is passed, the leader equally frequently retreats and lets others take the reins. The idea of a moment presupposes a situation; there must be followers, a need for leadership, and a skilled leader.

### An Excursion

After a time of preparation, we don't suddenly come at leadership. Instead, it is a journey that lasts a lifetime as you become more conscious of yourself and more socially adept. In reality, one never truly exists as a leader; rather, one is always progressing toward that goal. Leadership is a path of self-awareness and other-awareness (not at all the same thing as self-consciousness and other-consciousness). Some travels, such as those that carry us from one physical location to another, revolve

primarily around propulsion or moving things through space. Understanding and collaboration are two things that leadership is mostly about; these two things work together to drive organisations forward throughout time.

### The Symphony

According to former Herman Miller CEO Max DePree, the self is the instrument used in the practise of leadership. However, the music is symphonic in style and is composed of notes from numerous instruments. This is why it is impossible to lead by yourself. The piano can be played alone; performance artists like George Winston and Michael Jones admirably elevate the solo piano as a form of art. Instead, it is the fact that organisations are intended to be about more than one tool.

Through the Big Dog leadership concept, Clark (1997) focused on the idea that leadership is a complex process by which a person persuades others to complete a task, mission, or aim and guides the organisation in a way that strengthens its coherence and cohesiveness. This is accomplished by a person using her leadership qualities (belief, values, ethics, character, knowledge, and skills). Although you have the authority to complete specific tasks and objectives inside the business due to your position as a manager, supervisor, leader, etc., this authority does not qualify you as a leader; rather, it only makes you the boss. While bosses order employees to complete a task or aim, leadership inspires people to strive for higher goals and objectives.

### Attributes of a Leader

If you are a leader that can be trusted, then the people around you will learn to respect you. To be a good leader, there are things that you must be, know, and do. These fall under the Leadership Framework (Clark, 1997). Clark (2000) defines 10 attributes of a leader which are:

- 1. Be Professional:** Take personal accountability, serve the organisation with selflessness, and be a devoted employee.
- 2. Be a professional:** Embody positive character attributes like candour, competence, devotion, honesty, bravery, and originality.
- 3. Be Aware of the four pillars of leadership:** situation, follower, leader, and communication.
- 4. Know Yourself:** Your character, knowledge, and skill strengths and weaknesses.
- 5. Understand What it Means to be a Human Being:** Human Needs and Human Emotions,
- 6. Know Your Job:** Be an expert at it and able to instruct others on how to perform it.

- 7. Be Familiar With Your Organization:** Know Who to Call for Help, What the Culture and Culture is Like, Who the Unofficial Leaders
- 8. Do give instructions for goal:** setting, problem-solving, making decisions, and planning.
- 9. Do put these into action:** organising, supervising, communicating, and assessing.
- 10. Do Encourage:**

### The Process of Great Leadership

James and Barry (1987) outlined the steps to effective leadership that all successful leaders do. They suggested five elements for the leadership process. The first step is to challenge the routine. Select the route that, in your opinion, requires improvement the most. Second, create a sense of unity among your followers by communicating your goal in plain language. Third, provide them the skills and strategies they need to take action. Fourth, set an example by getting your hands dirty when the going gets difficult. The fifth is to uplift people's spirits, share your success with your followers, and hold their suffering close to your own heart.

### Leadership as a Partnership

The current paradigm for understanding leadership views it as a long-term collaboration or relationship between group members and leaders. Block (1993) asserts that in a partnership, the group members and the leader are interconnected in a way that roughly balances their respective levels of influence. According to Block (1993), a partnership is the antithesis of parenting, in which one person—the parent—takes charge of the wellbeing of the other—the child. Partnership develops when authority passes from the organization's leader to the group members, moving away from authoritarianism and toward deliberative democracy. An effective relationship must meet four criteria. First, mutual purpose; second, the ability to refuse; third, shared responsibility; and fourth is absolute honesty.

The partnership model of leadership that Block proposed is an ideal way to work toward empowerment and team building. Additionally, considering leadership as a partnership is crucial since it is connected to stewardship theory, an upbeat philosophy of group members. According to this view, group members (or followers) are reliable, pro-organizational, and collectivist (Davis et al., 1997).

### Imperatives of Leader

Adgur (1984) highlighted and questioned what unique requirements a leadership role in a modern firm places on you. There are several, and each is essential to suc-

cess. The four most important requirements for leadership are:

### **Emotional Maturity**

You have a positive self-perception, accepting both your strengths and weaknesses. You cope well with difficulty. You can take rejection and criticism from peers, superiors, and subordinates. You can accept your mistakes. What makes you reliable and mainly predictable is emotional maturity.

### **Independence**

You are self-governed and inner-directed. You don't always concur with standard responses or accepted policy. You query the present situation. You don't submit to outrageous demands or arm-twisting.

### **Realism**

You don't take a speculative or emotive attitude. You're logical, realistic, and reasonable. You frequently make judgements based on logic rather than emotion.

### **Courage**

You're willing to take calculated risks—to run the danger of failing, of getting into trouble, of losing your next bonus or promotion, of jeopardising your reputation. You don't hesitate to hold the unpopular viewpoint, but you also don't act hastily or foolishly.

## **The Evolution of Leadership Theories and Leadership Development**

Early in the 20th century, it was believed that people rose to positions of leadership due to their inherent traits. Numerous studies using the so-called "trait approach" have sought to identify the characteristics of effective leaders. Some of the most important characteristics cited included intelligence, dominance, self-confidence, degree of energy, activity, and "masculinity," yet none of these was adequate to separate leaders from followers. The trait method has limited application to management and leadership development due to the focus on mostly innate or generally unchanging personality traits, placing the emphasis more on recruiting and selection procedures (Bolden, 2004).

In the middle of the 20th century, new models of leadership started to appear as the effectiveness of a trait approach was questioned. The earliest of these were theories of leadership that were behavioural or "style" based. In this instance, the leader's behavior—that is, how they conducted themselves—was more important than their inherent qualities. Behavioral

models presented a variety of leadership philosophies, from directive to participative, person-centered to task-centered, and they suggested that the most effective leadership occurs when the leader has a high concern for both people and output.

It became popular in the latter half of the 20th century to be interested in a leader's capacity to effect transformational change within an organisation. In this strategy, the ability of the leaders to create and convey an inspiring vision and inspire followers by creating a sense of shared purpose that transcends personal considerations like money and rank is emphasised. The practise of transformational leadership would emphasise the idea that the leader is a change agent and emphasise the improvement of interpersonal and communication skills. Although there may be a gradual change in our perspectives, many of the underlying presumptions and implications of transformational leadership are comparable to those of the earlier trait and behavioural models. They support the idea of the individual leader by inspiring and persuading followers and demonstrating their capacity to overcome organisational and environmental limitations.

Reducing public funding has encouraged universities to look for alternative income streams, while a variety of supply-side pressure groups have promoted public awareness of the value of business education. British government policy has consistently promoted the importance of management capability, prompting employers to take management development seriously.

The changing nature of work, particularly the need to manage increased competition and ongoing upheavals in their organisations, necessitates increased intellectual flexibility and alertness as well as pertinent skills, abilities, knowledge, and self-awareness, which is why employers feel the need to improve management and leadership capability. In order to gain a competitive advantage, people and businesses are actively engaging in a variety of training, education, and development initiatives. The employee's current job is the emphasis of training, their future employment is the focus of education, and the organisation is the focus of development. Traditional formal programmes have given way to more adaptable, immersive initiatives, while also acknowledging a variety of other trends (Bolden et al., 2003). In European firms, HR and Line Managers favour the following approaches for management development: internal skills programmes, outside seminars, conferences, mentoring/coaching, formal qualifications, internal job rotation, external assignments, placements, and/

or secondments, and E-learning.

Given the current interest in this method of delivery, there was a startlingly low uptake of E-learning in all of the study's countries, as well as a comparatively low preference for on-the-job growth (such as work rotation and assignments). Despite having a very low grade in terms of "what makes a good manager," qualifications-based development is used more frequently than the national average in the UK.

Although coaching is particularly well-liked by businesses and managers, it cannot be used by a huge number of people due to expense and lack of high-caliber instructors. While many approaches, like 360 degree feedback, are shown to be most effective when used in a whole development programme.

Any growth strategy will be significantly impacted by the participants' prior experiences, personalities, and preferred learning styles. The organisational environment, the need for participant buy-in, and the learning culture inside the organisation are other crucial elements.

Beyond only fostering talent, leadership development serves many other goals. Executive education has the potential to be a successful retention technique that increases participant motivation, excitement, and dedication, can act as a reward, and can also foster teamwork and a sense of shared purpose.

How Leadership Affects an Organization's Effectiveness

The study of leadership is predicated on the idea that managers have an impact on organisational performance. Leaders effect change by their deeds and personal sway. The highest level executives who run organisations assume the same thing. Replacing the leader is a common solution to serious organisational issues, with the expectation that the newly chosen leader will improve performance, as in the case of "the Leader in Action." When BHP was struggling, Paul Anderson was called in, and he used a variety of well-planned techniques to affect transformation (Du Brin et al., 2006).

### **Organizational Effectiveness**

Regarding the factors that determine organisational performance, Katz and Kahan present possibly the best-known account of the topic (1978). Considering how difficult the issue is The efficiency with which an organisation transforms its resource inputs into outputs is how Katz and Kahn (1978) define organisational effectiveness. Despite the fact that this definition ignores the notion that organisations are in rivalry with one another,

it is internally consistent. However, when leadership is viewed as a communal phenomenon, a resource for the performance and survival of a collectivity, organisational effectiveness is an integral aspect of any discussion of leadership.

### **Competent Personnel**

A more talented team will perform better than a less talented team, given other factors being equal. Talented individuals are found through good selection procedures and recruited by effective leadership. Motivated employees highly driven employees are those that are prepared to give everything they have got in order to succeed. A motivated team will perform better than a dejected team when all other factors are equal. The effectiveness of management is directly correlated with the amount of motivation inside a team or company (Harter et. al. 2002). able management group wherein competence is defined in terms of the taxonomy and talent is defined in terms of the domain model.

### **A Successful Method for Outperforming the Opposition**

Many organisations struggle in this area. Business managers don't enjoy doing research, or else they would be in the research business, and those who do don't interact with business managers very much. As a result, the top management team frequently develops business strategy on an as-needed basis (think about the strategy that is in place at your place of employment and how it was developed). a group of monitoring devices. It will make it possible for senior leadership to monitor employee talent, employee motivation, management team performance, and the success of the company's business strategy.

Defining "effective leadership" and its characteristics Academic studies have compared different leadership philosophies across many cultural contexts to determine how leadership arises, fades, and is maintained, sometimes through natural succession in accordance with existing norms, and sometimes through the use of force (Covey, 2003).

The simplest approach to assess a leader's performance as a leader is to look at how large a following they can muster. By this criteria, Adolph Hitler, even though through irrational claims and coercive methods, became a very effective leader for a while. This method, meanwhile, might assess leadership more through the lens of power. Assessing the degree of influence on the followers—the level of leadership—can help one gauge leadership more precisely. This refers to valuing pro-

ductivity monetarily within an organisational environment. Compared to ineffective leaders, effective leaders produce more opportunities, more production, and reduced expenses. Effective leaders produce outcomes more quickly and more effectively than ineffective leaders, achieving goals, realising visions, and achieving other objectives.

An effective Burnsian leader will bring followers together around a common goal that will benefit both the company and society as a whole, according to Burns (1996). Transformative leadership is what Burns (1979) refers to as leadership that offers “real” value, honesty, and trust. He sets such leadership apart from “more” transactional leadership, which increases authority by taking actions that will win over followers. However, there are issues with measuring the transformative character of leadership because it appears to be harder to measure than just counting the number of followers, which Burns (1978) used as the major benchmark for effectiveness. As a result, transformational leadership necessitates a quality assessment that is not dependent on the level of market demand as indicated by the number of followers.

The Multifactor Leadership Questionnaire (MLQ), created by Bass, is a popular tool for current evaluations of transactional and transformational leadership (1990). “Idealized influence attributions,” “idealised influence actions,” “inspirational motivation,” “individualised concern,” and “intellectual stimulation” are the five elements of transformational leadership that are measured. Additionally, “contingent compensation,” “management by exception (active)” and “management by exception (passive)” are covered by the MLQ’s three transactional leadership dimensions.

The functional leadership paradigm views leadership as a set of actions that aid in a group’s ability to carry out a task, achieve a goal, or fulfil its purpose. According to this paradigm, effective leaders promote healthy behaviours while discouraging unhealthy ones. A leader’s role in the route goal model of leadership, created by Martin Evans and Robert House in 1971 and updated in 1996 and based on the “Expectancy theory of Motivation,” is to clear the way for the group to reach its goal(s) by attending to the needs of its members.

Some critics compare the effectiveness of the leadership process to that of an orchestral conductor. An effective leader shares several characteristics with an orchestra conductor. Will the conductor be able to harness and combine all the talents that each of his or her players possesses in order to get a group of potentially diverse

and talented people—many of whom have strong personalities—to work together toward a similar goal? Will the players approve of the level of artistic freedom they have? Will the sound they make be pleasing to the audience? All of these questions might be clearly determined by the conductor.

Pitcher (1994) questioned the division between managers and leaders. She applied a factor analysis technique to data gathered over an eight-year period and came to the conclusion that there are three different sorts of leaders, each with extremely distinct psychological profiles. She classified two groups, calling one “artists” and the other “craftsman,” as being well-balanced, steady, logical, sensible, dependable, and trustworthy. She described one group as enterprising, intuitive, courageous, and emotional. She describes “technocratic” as intellectual, meticulous, fastidious, unyielding, and hard-headed. No particular profile, she surmises, offers a favoured leadership style. She asserts that we need to find a “ARTIST LEADER” if we want to progress. Finding a “craftsman leader” is important if we want to maintain our position, and if our work is unattractive, that we should find a “technocratic leader” if there is work that needs to be done (like downsizing). Pitcher (1994) also noted the rarity of a balanced leader who demonstrates all three sets of attributes.

### **Paradigm Shift from ‘Management to Leadership’**

A paradigm is a set of beliefs that are utilised to establish limits and concentrate problem solutions, according to Xavier’s (2004) research. Every time a new analytical framework modifies our knowledge of how a system works, we experience a paradigm shift. The paradigm shift affects the political system, the family system, human resource management, health care, information technology, retailing, and management education. Because of how quickly things are changing, Chan (1994) advises that there is currently no ringing paradigm anywhere in the globe that has been totally successful. The paradigm-shift concept put out by historian and scientist Thomas Kuhn in 1970 has gained traction outside of academia and the realm of pure science. Today’s business leaders are frequently warned to change their mindset or risk falling behind. It is believed that paradigm shifts are the key to innovation and the road to advancement.

### **Human Resource Management to Personnel**

From the time men were clubbed with materials, machines and money, the management theorists have come a long way in recognizing the potential of people. This

is evident from the shift from personnel to human resource management (Khan and Khan, 2012). Even the highly automated factory will require human intervention of the highest order

Behavioral scientists have proposed a variety of motivational theories to explain how to get the most performance out of people. The two most noteworthy ones are Herzberg's two factor theory and McGregor's theory Y. Then the focus moved from inspiring people to giving them power. According to Tongren (1994), organisations are undergoing a significant paradigm shift today, substituting empowerment, trust, and accountability for control methods like authorisation, approval, and review. The newest idea is to liberate employees by granting them sufficient autonomy and ownership in the company.

### **Supervisor to Leader**

Today's executives, managers, supervisors, and workers must contend with multiple difficulties at once, including global competition, new alliances, outsourcing, diversity, complete quality requirements, and technological advancement. Many businesses find that they have fallen behind or are moving in the wrong direction after years of keeping up with their rivals by just making linear, incremental changes. To manage the organisations of today, we therefore need more visionary and forward-thinking executives. According to Hyden (1994), there are insufficient leaders and too many managers. Today, the paradigm is shifting from management to leadership. The ability to develop others into leaders, empowerment, communication, vision, patience, and strategic thinking are among a leader's fundamental qualities.

### **The Paradigm Shift**

According to Merrill's (1995) research, developing volunteer programmes must combine good management with motivating leadership. This terminology reflects the topics that a wide spectrum of professionals from the public and commercial sectors are debating and writing about. Reliance on management strategies that emerged from the industrial period and hierarchical structures are called into question by workplace and generational changes. Employees and volunteers now want to be involved in decision-making, planning, and assessment of initiatives and programmes. Leadership rather than management is what they seek (Kouzes and Posner, 1995).

Most of us were reared in a society that taught us that

the best approach to manage for excellence was to tell people exactly what they needed to do and make sure they completed it, according to Wheatley (1997). We learnt to pretend to be master designers and believed we could construct individuals to function at their very best. However, you can only sufficiently interest individuals to make them desire to produce flawless work; you cannot force people to be perfect. There is growing recognition that the best paradigm for promoting and fostering high impact volunteer involvement inside organisations is shared leadership (i.e., leaders at all levels - policy making, executive, and middle management). Simply possessing the managerial abilities necessary to set up and run a volunteer programme is no longer adequate for a volunteer administrator. The volunteer program's leadership must be centred on the volunteer administrators of today (Merrill, 1995).

### **Conclusion**

Over the past 20 years, interest in leadership research has increased. Organizational theory and leadership theory have both evolved in lockstep. New approaches to leadership theory are related to the contemporary organizational revolution and the rise of the post-bureaucratic organisation. We'll think about how Burns' theories' influence on the models of transactional and transformational leadership may help to both explain the outdated organisational paradigm and support the new paradigm for the twenty-first century.

Next, considering that behaviour can have many different meanings, perhaps performance can be used in place of behaviour. Performance can be monitored if the organisation has clear expectations that are comprehensive and accurate, reliable evaluations that do not penalise contributors, and a well-communicated strategic strategy. Contributors have the chance to improve their performance and provide quantifiable results through clearly defined goals with constant leadership and management.

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## IMPACT OF GST ON INDIAN ECONOMY

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### Abstract

Goods and Services Tax (GST) was launched on 1st of July 2017. It is an indirect tax applicable throughout India. Now single tax would be levied on all goods and services. Around 160 countries have implemented GST. GST will ensure a comprehensive tax base with minimum exemptions, which will help the industry. GST will help the economy to grow in more efficient manner by ameliorating the tax accumulation as it will disrupt all the tax barriers between states and integrate country via single tax rate. It will benefit the Indian economy in many ways- help in reducing the price for consumers, rate of tax will be uniform, reduce multiple taxes. GST will affect many sectors in positive or negative manner. GST, as per government estimates, will boost India's GDP by around 2 per cent. Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. ([https://en.wikipedia.org/wiki/Goods\\_and\\_Services\\_Tax\\_\(India\),\\_2017](https://en.wikipedia.org/wiki/Goods_and_Services_Tax_(India),_2017)). After GST implementation certain products prices will reduce like branded goods, hotels, personal hair products, soap etc. Few products price will increase like mobile bills, aerated drinks, internet, air tickets. At the consumer level, GST would reduce the overall tax burden, which is currently estimated at 25-30%. Under this system, the consumer pays the final tax but an efficient input tax credit system ensures that there is no cascading of taxes- tax on tax paid on inputs that go into manufacture of goods. In order to avoid the payment of multiple taxes such as excise duty and service tax at Central level and VAT at the State level, GST would unify these taxes and create a uniform market throughout the country. Integration of various taxes into a GST system will bring about an effective cross utilization of credits. The current system taxes production, whereas the GST will aim to tax consumption. Goods and Services Taxes would be collected in three ways: CGST: where the revenue will be collected by the central government, SGST: where the revenue will be collected by the state governments for intra-state sales, IGST: where the revenue will be collected by the central government for inter-state sales. This paper focuses on the benefits, challenges and impact of GST on Indian economy.

**Keywords:** [GST, Tax, Products, India]

### Introduction

GST was first introduced during 2007-08 budget session. On 17th December 2014, the ahead of its time Union Cabinet ministry approved the proposal for inauguration of GST Constitutional Amendment Bill. On 19th of December 2014, the bill was presented on GST in Lok Sabha. The Bill was absorbed for discussion far and wide for the coming Budget session. The President of India canonical the Constitution Amendment Bill for Goods and Services Tax (GST) on 8 September 2016, consequently the bill's article in the Indian chamber and its ratification by greater than 50% of the size of it legislatures (President gives assent to GST Bill, 2016). GST has replaced the current indirect taxes. The implementation of GST will have a far-reaching strength on at the point of all the aspects of the engagement in activity application operations in India. With greater than 140 countries soon adopting some comprise of GST, India has daydream been a stand-out exception. Origin of Tax is from the Latin word "taxare" which means "to estimate". A tax is a government imposed contribution under various names like (subsidy, custom, duty, impost, excise, tribute, supply) etc. The first well recognized taxation system was introduced in the Ancient Egypt (3000 BC- 2800 BC) in the empire of the old territory and at that time tax was collected from the people in the

form of pharaoh. Presently in India tax is collected in two forms as direct and indirect tax. Direct tax (income tax, corporation tax and wealth tax) is directly collected by the government from the tax payers. Indirect tax (goods and service) is not directly collected from the taxpayer but it is collected from intermediaries such as retailers and from the people or consumers who ultimately bear the burden of tax. Good and Service Tax is an indirect tax which is also called the cover of all indirect state and federal taxes. GST is a single tax which is levied on several product and services. Multiple taxes cover all CENVAT, central sales tax, states sales tax, octroi etc. will be included in GST. GST is applied in India with effect from 1st July 2017 in the central hall of parliament.

### Features of GST

- Registration of taxpayers: Every person with a turnover exceeding Rs 20 lakhs will have to register in every state in which he conducts business. This threshold will be Rs 10 lakhs for special category states (i.e. Himalayan and North-Eastern states).
- Returns: Every taxpayer is required to file tax returns on a monthly basis by submitting: (i) details of supplies provided, (ii) details of supplies received, and (iii) payment of tax. In addition to the monthly returns,

an annual return will have to be filed by each taxpayer.

- Exemptions from GST: There are certain goods and services which are exempted from GST.
- Taxable amount (value of supply): The GST would be applicable on the supply of goods and services, whose value will include: (i) price paid on the supply, (ii) taxes and duties levied under other tax laws, (iii) interest, late fee, penalties for delayed payments, among others.
- Payment of GST: The CGST and SGST needs to be paid in the accounts of the central and states government.
- Goods and Services Tax Network (GSTN): It is a non-profit, Non-Government Company called Goods and Services Tax Network (GSTN). It will manage the entire IT system of GST portal.
- Input Tax Credit (ITC) Set Off : ITC for CGST & SGST will be taken for taxes allowed against central and state respectively.
- GST on Imports: Centre will levy IGST on inter-State supply of goods and services.
- Maintenance of Records: An exporter needs to maintain separate details of utilization or refund of Input Tax Credit of CGST, SGST and IGST. (<https://gst.knowledge.in/key-features-gst-benefits-gst/>, 2017)

### Literature Review

Kumar (2014) studied, "Goods and Service Tax- A Way Forward" that implementing GST in India would help in removing current indirect tax system and expected to encourage unbiased tax structure which is indifferent to geographical locations. Guptha (2014) in her study stated that by implementing GST would give many benefits to our country which is not given by current tax structure and will benefit the economy. Hence GST would benefit the industry, trade, consumers and Government. Vasanthagopal (2011) studied, "GST in India: A Big Leap in the Indirect Taxation System" and concluded that GST is a broad based, single, comprehensive tax levied on goods and services in which, the seller may claim the input credit of tax which he has paid while purchasing the goods, the final consumer will bear only the GST charged by the last dealer in the supply chain.

### Objectives of the Study

- To understand the concept of GST
- To know the benefits and challenges of GST
- To study the impact of GST on different sectors in India

### Research Methodology

The study is based on exploratory research and based on

secondary data of journals, articles, newspapers and magazines. Secondary data was extensively used for the study.

### Benefits of GST

- It will help in lowering the cost of goods and services.
- Uniformity of tax rates.
- It will help in economic development.
- It will help in making the products and services competitive.
- It may improve liquidity of the businesses.
- It will reduce the human efforts and will lead to expeditious decisions.
- It will also help boosting Indian exports in the international market, improving the balance of payments position.

### Categories of GST

Under GST, goods and services are taxed at the following rates, 0%, 5%, 12% and 18%. Certain items such as alcohol, petrol, diesel and natural gas will be exempt under the GST.

#### 0 percent

Wheat, rice, milk, eggs, fresh vegetables, meat, fish, sindoor, bindi, stamps, judicial papers, printed books, newspapers, bangles, handloom, children's picture, hotels and lodges below Rs.1000.

#### 5 percent

Sugar, tea, roasted coffee beans, edible oils, cream, skimmed milk powder, milk food for babies, cashew nuts, spices, packaged food items, railway freight, life saving drugs, footwear up to Rs 500.

#### 12 percent

Ayurvedic and homeopathic medicines, readymade garments, mobile phone, non AC hotels, business class air ticket, fertilisers, Butter, preparations of vegetables, fruits, nuts or other parts of plants.

#### 18 percent

Footwear above Rs 500, hair oil, soap, toothpaste, LPG stove, military weapons, ice cream, AC hotel that serve liquor, branded garments, financial services, room tariffs between Rs 2500 and Rs 7500, biscuits (all categories).

#### 28 percent

Chewing gum, molasses, chocolate not containing cocoa, waffles and wafers coated with chocolate. (<http://www.indiatvnews.com/business/india-goods-and-services-tax-complete-list-of-items-and-their-gst-rates-388359>, 2017)

### Challenges of GST

- Robust IT Network: Government has already incorporated Goods and service tax network (GSTN). It has to develop the entire IT system of GST portal which will ensure technology support for GST Registration, GST

return filing, tax payments etc.

- Extensive Training to Tax Administration Staff: As GST is quite different from existing system so it requires extensive training to tax administration staff regarding the legislation procedure.
- Understanding GST intricacies is not easy: The wholesaler would be required to deposit the CGST into a central government account and the SGST into the account of the state government. Every docket from buyers and sellers intend be comprise the GST system suitably to ensure that benefits accrue the full chain. (<https://gst.caknowledge.in/gst-india-challenges-success-india/>, 2017)

### **Impact of GST on Indian Economy**

- It may increase the flow of FDI.
- GST will increase the government's revenue in the long.
- A single tax would help in lowering the final selling price for the consumer.
- GST will facilitate ease of doing business in India.
- It will reduce the cost of tax compliance and transaction cost.
- It will create more employment opportunities.
- GST would append to government revenues by widening the tax base.
- Uniformity in tax laws will lead to single point taxation for supply of goods or services all over India.
- It will also reduce litigation and waste of time of the judiciary and the assessee due to frivolous proceedings at various levels of adjudication and appellate authorities.
- Reduce tax burden on producers and build a fire under growth at the hand of more production. This replicate taxation prevents manufacturers from producing to their optimum capacity and retards growth.
- There will be more transparency in the system as the customers would know exactly how much taxes they are being charged and on what base.
- GST would also help in removing the custom duties on exports. Our competitiveness in foreign markets would increase on account of lower cost of transaction.

### **GST Impact Across Sectors**

#### **Tech**

GST will eliminate multiple levies. It will also allow deeper penetration of digital services.

Duty on manufactured goods will increase from 14-15% to 18%, so electronic products would be expensive.

#### **FMCG**

Companies could stir substantial savings in logistics and distribution costs as requirement for countless sales depots will be eliminated.. FMCG companies have to pay around 24-25% tax and GST would help in reduction of tax. Reduction of overall tax rates, is expected to generate saving.

#### **E-commerce**

GST will help create a single unified market across India and allow free movement and supply of goods in every part of the country. It will also eliminate the cascading effect of taxes on customers which will bring efficiency in product costs. It may increase the workload for e-commerce firms and push up costs.

#### **Telecom**

Handset prices likely to come down/even out across states. Manufacturers are further likely to come through with flying colours on to consumers charge benefits they will earn from consolidating their warehouses and efficiently managing inventory. For handset makers, GST will require ease of doing job as they take care of no longer require to strengthen state adamant entities and relinquish stocks to them and invest heavily into logistics of creating warehouses in each state across the country.

Call charges, data rates will go up if tax rate in the GST regime exceeds 15%. Tower firms won't be able to set off their input duty liabilities if petro-products continue to stay outside GST framework.

#### **Automobiles**

On road price of vehicles could drop by 8%. Lower price can be construed as indirect stimulus to boost the volume. The demand for commercial vehicles may increase. GST will help in reducing the time at check-posts, and will ease logistics hurdles. With fleet productivity increasing, operators may not feel the need to expand the midterm.

#### **Media**

Service tax and entertainment tax are levied on DTH, film producers and multiplex players. GST will captivate major critical point and dreariness in businesses. Taxes could go down by 2-4%.

Multiplex chains will amass on revenues as there will be in a superior way uniform load, unlike current high outlay of entertainment thorn in one side levied by different states. It may lower the average ticket price and increase the footfalls in multiplex. GST will be a carrying a lot of weight boon to silver screen producers and studios that currently conclude service tax on most of their charge, but cannot charge input credit on creative services as they fall under the negative list. Under GST, they will be able to claim

credit of these services also, which will help in lowering the overall cost.

#### **Insurance**

Insurance policies: life, health and motor will begin to cost more from April 2017 as taxes will increase.

#### **Airlines**

Airlines may become expensive, as service tax will be replaced by GST. Earlier service tax on air tickets were 5.6% on economy class and 8.4% on business class. Now rate of GST on economy class would be 5% and 12% on business class.

#### **Cement**

Currently tax rates on cement are 27% - 32% but GST will bring down the rate to 18-20%. It will help in reduction in logistics costs. India is second largest producer of cement in the world.

#### **Conclusion**

GST will be a very noteworthy step in the field of indirect tax reforms in India. Multiple taxes are eliminated and there is only a single tax. GST will make taxation easy for the industries. Customer will also be benefitted as the overall tax burden on goods and services are reduced. GST will also make Indian products competitive in the global markets. GST will be easier to administer. Once implemented, the proposed taxation system holds great promise in terms

of sustaining growth for the Indian economy.

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## Alternatives to Swift: A Vital Tool in Global Banking

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### Abstract

The trade of businesses is run by many countries to make a strong economy. Each country has its separate code and network system for transactions that support the security system for confidential information. The society for worldwide interbank financial telecommunication (SWIFT) is the core foundation of the cross-border fund transactions that ensure security and transparency and is now linked with more than 200 countries and 11000 members institute that are exchanging an average of 44.8 million messages per day. This manuscript has detailed the list and de-list process of countries from the SWIFT system. How and what delisted countries found their alternative, is also discussed in detail.

**Keywords:** [SWIFT, Messaging Network, SPFS, CIPS, and SFMS]

### Introduction

In today's times, transferring money over a cross border isn't difficult, it's easy to transfer money from one country to another around the globe with the use of the SWIFT system. Society for worldwide interbank financial telecommunication (SWIFT) is a messaging network that helps banks and other financial institutions to securely, quickly, and accurately send and receive information and instructions about financial transactions with the use of a standardized system of codes. All over the world, SWIFT is the most secure and reliable third-party network that serves more than 200 countries and 11000 banks, financial institutions, and corporate consumers. It's important to emphasize that SWIFT is not a bank or financial institution, it is only a network system that doesn't hold funds nor does manage the account on behalf of the customers. SWIFT helps its member institutions to connect and exchange financial information and instructions through networks, standards, products, and services that are provided by the system (Alam, 2022).

In February 2022, the removal of Russian banks from SWIFT was announced by Ursula Von der Leyen the president of the European Commission because Russia attacked Ukraine that affecting approximately 300 Russian banks and also affecting the world economy with the removal of Russian banks. After the coronavirus pandemic, the recovery of the global economy became difficult because this implication affected the European union's natural gas imports, increasing the prices of natural gases and grains. SWIFT stopped Russian banks' worldwide financial transactions but that deci-

sion might not affect the Russian economy as expected because there is an alternative to SWIFT which is the Russian SPFS, Chinese CPIS, and Indian SFMS, etc. all of these are provided financial message services (SWIFT\_ARTICLE, n.d.).

### Genesis of SWIFT:

Globalization is the phenomenon that has opened the possible doors for countries to develop the world economy. The flow of trade started happening from one country to another country and as a result between countries flow of resources and financial transactions started. Some rules and regulations were followed by banks when the monetary transaction took place within the specific country that secure the monetary transactions. Monetary transactions over the cross border also needed technological infrastructure which would ensure the reliability and security of transactions and help the smooth flow of resources and monetary transactions (Dasgupta & Grover, 2019). In the 1960s, telex was used for worldwide fund transfers but the problem was the slow speed and errors that occurred in transactions (Scott & Zachariadis, 2012).

SWIFT was the alternative to telex created in 1973 with 15 countries and 239 members. Telex was the peer-to-peer telephone network that used teleprinters and fax machines for a messaging system to worldwide fund transfers. Telex senders described the financial information in sentences and then that was interpreted by the receivers, it led to many human errors that were faced by users cause telex didn't have a unified system of codes like SWIFT. (Scott & Zachariadis, 2012).

In 1973, SWIFT was formed with 239 banks in 15 countries located in Brussels, Belgium. SWIFT the cooperative society was created under Belgium law and it is owned and controlled by its board of directors. It is overseen by a group of ten (G-10) countries' central banks which are Belgium, Canada, France, Germany, Italy, Japan, the Netherlands, Sweden, Switzerland, the United Kingdom, and the United States. It was based on non-profit organization and unbiased and not linked with any government, the corporate or geographic location so located far away from New York or London with the promise to provide common standards and technological infrastructure for worldwide financial transactions. (Scott & Zachariadis, 2013).

The unique code is assigned by SWIFT to each banking organization that has either 8 or 11 characters, known as the bank identifier code (BIC). The code contains not only the bank name but also the country or city name. The terms SWIFT code or BIC are used interchangeably. Like

- First four characters: are the institute code
- Next two characters: are the country code
- Next two characters: are the city code
- Last three characters: are optional, but use to assign the codes to individual branches.

SWIFT provides services to banks, clearing houses, securities dealers, trading houses, exchanges, depos-

itories, asset management companies, corporate business houses, foreign exchange, etc. (How the SWIFT Banking System Works, n.d.) SWIFT payment took 1 to 5 working days to complete the money transferring process when it started, banks holidays, weekends, and intermediary banks when sender and recipient banks don't have a direct agreement, etc. made an impact on the speed of transferring process (SWIFT Transfer Explained: What Is It and How Long Does It Take?, n.d.). In 2017, SWIFT global payment innovation (GPI) was launched to improve the speed and transparency of cross-border payment. There were four principles of GPI- enhancing the payment speed, monitoring payment status in real-time, ensuring the transparency of fees, and identifying the underlying payment reasons. Cross-border payment on SWIFT GPI has increased the speed with a median processing time is less than two hours but their speed varies across end-to-end payment routes (Nilsson et al., 2022).

Now, the SWIFT system is used by more than 200 countries and 11000 banks and financial institutions who are exchanging messages every day. The organization recorded an average of 44.8 million messages per day on a YTD (Year-to-Date) basis in November 2022. As compared to the same period of the previous year traffic grew by 7.1% (Homepage /Swift, n.d.) (SWIFT, 2015).

**Table 1: List of Countries that Use the SWIFT System Services**

Year	Countries	Customers	Messages (Million-Billion)
1979	15	239	10 M
1989	79	2814	296 M
1999	189	6797	1.06 B
2009	209	9281	3.76 B
2022	>200	11696	11.25 B

Table 1 shows the evolution of SWIFT (1979-2022)

### Sanctions

SWIFT has been unable to avoid politics and hasn't adopted the international geopolitical position. It is a neutral organization which is worked for the benefit of all its members. SWIFT follows the European Union (EU) regulations, if the EU imposes the sanction, then SWIFT is compelled to follow EU guidelines. It is used by the EU to disconnect actors' banks from their systems like Iran and Russia. After America's 9/11 terrorist attack, SWIFT sent financial data access to US authorities to analyze the financial flow and identify the terrorists' activity that help to prevent the terrorist at-

tacks (Dorry et al., 2018).

In 2012, Iranian banks had banned from SWIFT networks and never used the system for fund transfers, as a sanction against Iran was imposed by the European Union councils. As a result, Iran negotiated over its nuclear program, then reconnected to the SWIFT network in 2016 (Swift and Sanctions | Swift, n.d.). In 2014, European and American councils threatened to ban Russian banks from the SWIFT system but in 2022 Russian banks were removed from the SWIFT by the US government when the Russian military invaded Ukraine. According to China and Russia, SWIFT uses as a political

weapon so both China and Russia developed their financial messaging systems as an alternative to SWIFT (Dörny et al., 2018).

#### Alternatives to SWIFT

Some alternatives to SWIFT are as followed:

- **SPFS Financial Messaging System of the Bank of Russia (SPFS):** The system for the transfer of financial messages (SPFS) is equivalent to SWIFT that was developed by the central bank of Russia when the US government banned the Russian banks from the SWIFT system in 2014. Its headquarters is situated in Moscow, Russia. The Russia SPFS adopted ISO 20020 standard, and the users of SPFS can send financial messages in SWIFT format. In 2015, over 300 Russian banks linked with the SPFS messaging system were reported by the Bank of Russia. Russia expanded its SPFS messaging system with developing countries like Iran and Turkey and made agreements to link with other countries' payment systems like India and China. Foreign users can connect directly or through the service bureau to the SPFS system. At the end of 2020, 23 foreign banks which are from Armenia, Belarus, Germany, Kazakhstan, Kyrgyzstan, and Switzerland are connected to the SPFS system by Russia. Now, the SPFS network has 399 users and also transfer over 2 million messages in 2020 (SPFS - Wikipedia, n.d.).

In December 2017, the first operation started on the SPFS network. Russia's SPFS is not working 24/7 like SWIFT; it works on only weekday working hours and its messages are limited in size to 20kb. The charges of SPFS systems are three times as expensive as compared to SWIFT (Russia's Alternative To SWIFT: What Is SPFS? - ABTC, n.d.).

On 26 February 2022, when the US government prevented the authorization of the Russian banks from using the SWIFT system for the war on Ukraine, Russia used the SPFS system. The decision of the US to ban the Russian banks from the SWIFT system has not affected Russians' worldwide transactions as much as expected because of the alternative of SWIFT. After the removal of Russian banks from SWIFT, Russia transferred the fund worldwide with the use of the SPFS system and CIPS (SPFS - Russia's Alternative To SWIFT - Russia Briefing News, n.d.).

- **Cross-Border Interbank Payment System (CIPS):** The cross-border interbank payment system (CIPS) was a Chinese alternative to SWIFT that was created on 8 October 2015 in Shanghai and launched by the People's Bank of China as financial infra-

structure to improve trade and investment in RMB (Renminbi) because China wants to promote their currency RMB worldwide. It has adopted the SWIFT code and the ISO 20022 standards. Information and instructions for fund transfers send in both language English and Chinese.

CIPS is used RTGS (REAL TIME GROSS SETTLEMENT) method which means participating banks immediately settle the payment on a gross rather than a net basis which helps to reduce the credit risks that can arise when payments are netted before settlement. In 2021, CIPS connected with 1280 institutions in 103 countries and regions. As of June 2022, there are 1341 participants of which 76 are direct and 1265 are indirect participants. Russian banks might use the CIPS system due to the US disconnecting them from using SWIFT (Schachtschneider, 2022) (Cross-Border Interbank Payment System - Wikipedia, n.d.).

- **Structured Financial Messaging System (SFMS):** On 14 December 2021, the Indian alternative to SWIFT, SFMS was created with the cooperation of the Institute for Development and Research of Banking Technology (IDRBT) that was established by the Central Bank of India (RBI) in 1996 with Tata Consultancy Services (TCS) that was the software developer. It is secure for intra-bank and inter-bank communication and adopted the ISO 20022 standards. This system is adopted by the RGTS (Real-Time Gross Settlement), electronic fund transfers and centralized funds management systems (CFMS), etc. for messaging and fund transactions (Radha et al., n.d.) (Structured Financial Messaging System - Wikipedia, n.d.). SFMS connected 165 banks and clearing houses through an RGTS that is controlled by the Reserve Bank of India (RBI) (SWIFT\_ARTICLE, n.d.).

There are some other equivalents for SWIFT such as Ripple and INSTEX (Instrument in Support of Trade Exchanges). Ripple launched blockchain technology and bitcoin that challenges the traditional cross-border payment system and is a competitor of SWIFT. INSTEX was developed by the EU on 31 January 2019 with the purpose to secure trade and transactions with Iran (Instrument in Support of Trade Exchanges - Wikipedia, n.d.).

There are many alternatives to SWIFT but they can't affect the SWIFT system because it has a huge network in more than 200 countries. These alternatives do not have huge infrastructure like SWIFT and have limited members but are useful for the banks that were removed

from SWIFT by the EU and the US councils. Banned banks have used these alternatives for worldwide fund transactions(Dörny et al., 2018).

### Conclusions

Global trade and fund transactions aren't possible without a payment system. SWIFT is the messaging system for worldwide fund transactions that ensure the security and accuracy of transactions. This article presents the detail of the SWIFT code that is used by the banks as a network system for security purposes. Around more than 200 countries have implemented the SWIFT network in the banks to facilitate worldwide transactions. Various Countries are used the SWIFT code to communicate with each other for global trade. Some existing countries are not using the SWIFT code because the US banned the countries' banks from SWIFT and found an alternative to run their economy globally. SPFS,CIPS, and SFMS are some messaging networks for global trade that are used by the especially Russia, China, and India. The presented messaging system provided a secure protocol for worldwide business.

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## Paddy and Wheat Production in Punjab: An Overview of Study on Growth and Instability

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### Abstract

India's total foodgrains production involves 25 percent contribution of paddy and wheat in 2000. After china, India is the second largest manufacturer of paddy and wheat. Both the crops provide food security to the residence of nation along with transformed the country from food deficient to food sufficient country. In this paper, an attempt has been made to analyze the growth and instability in the geographical areas and production of paddy and wheat in Punjab along with evaluate the factors affecting the growth. Furthermore, this study will be based on secondary data for the period of 10 years from 2010-2020. The data will be collected from various secondary sources like statistical abstract of Punjab, economic survey, research papers, reports, newspapers etc. The study revealed that positive compound annual growth were found in both the crops and highest variation was found in production as compared to area and yield. It was observed negative annual growth in both the crops in some years.

**Keywords:**[CAGR, Instability, Income, Fertile and Foodgrains]

### Introduction

In India Punjab hold largest portion of fertile land and performed very well in foodgrain production along with industrial sector. Most of the population of Punjab lived in rural area and engaged in agriculture sector directly or indirectly. In agriculture development Punjab hold outstanding position among Indian states and there was great increase in agriculture production during green revolution time. In India foodgrains production includes major portion of paddy and wheat, and Punjab is the major supplier to India's central pool of foodgrains production. Currently, during rabi season 80 percent area of Punjab is used for wheat cultivation and 60 percent area of state is used for rice cultivation during kharif season. These two crops contributed nearly about 85 percent towards state agriculture production. At present the global population is increasing rapidly so the global consumption of paddy and wheat also increasing rapidly. There is need to increase foodgrains production with availability of improved technology to feed global population. India is the second largest producer of rice and wheat after China, as the country produces 101.29 million tonnes of wheat and 175.58 million tonnes of rice annually (FAOSTAT, 2018). In 2020, Punjab has produced over 17 million metric tons of wheat and 12 million metric tons of paddy. Paddy and wheat both are majorly growing crops and plays important role in increasing the income of the farmers in Punjab. On the other hand, if we talk about the relationship between growth and instability, the modern technology plays important role in increasing or decreasing variation in some crops. The modern technologies do help to reduce variability in yields and production only a few crops (MehraShakuntala 1981). There are many studies on instability conducted during 1980s concluded that agriculture production had become more unstable af-

ter the introduction of new agricultural technology (Mehra 1981; Hazell 1982; Dev 1987; and Ray et al 1988). So it is important to analyse the growth and instability in paddy and wheat crops that will able to realize the nature of food security and income stability. To keep in view the importance of both the crops, the present paper is an attempt to analyze the growth and instability in the geographical areas and production of paddy and wheat in Punjab along with evaluate the factors affecting the growth.

### Research Design

The present study is based on secondary data has been collected from various published sources such as online publications, magazine, Books, Journals, Statistical Abstract of Punjab etc. The data were taken for the period of ten years from 2010-11 to 2019-20. The result has been analyzed by using the annual growth rate and Compound Annual Growth Rare (CAGR) of area cultivated, production, yield per hectare of Paddy and Wheat. Instability is the deviation from the tendency and analyzed with the help of coefficient of variation by using the following formula:-  
$$CV = (SD / MEAN) \times 100$$

The standard deviation as a percentage of means is called as the coefficient of variation.

### Data Analysis and Interpretation

The growth of wheat area cultivated, production and yield per hectare are represented in table 1. The total area under wheat cultivation in Punjab increased from 3510 thousand hectare in 2010-11 to 3521 thousand hectare in 2019-20 with minor compound annual growth rate 0.03 percent. There has been little bid increase in area under wheat cultivation in Punjab. The annual growth rate of area cultivated under wheat was decreased from 0.51 percent to 0.03 percent.

**Table 1: Compound Annual Growth Rates and Growth Rates of Area, Production and Yield per Hectare of Wheat**

Year	Cultivated Area (000 hectare)	%age of Annual Growth	Production (000 metric ton)	%age of Annual Growth	Yield (kg per hectare)	%age of Annual Growth
2010-11	3510	-	16472	-	4693	-
2011-12	3528	0.51%	17982	8.40%	5097	7.93%
2012-13	3512	-0.46%	16591	-8.38%	4724	-7.90%
2013-14	3510	-0.06%	17610	5.79%	5017	5.84%
2014-15	3505	-0.14%	15086	-16.73%	4304	-16.57%
2015-16	3506	0.03%	16068	6.11%	4583	6.09%
2016-17	3495	-0.31%	17636	8.89%	5046	9.18%
2017-18	3512	0.48%	17830	1.09%	5077	0.61%
2018-19	3520	0.23%	18262	2.37%	5188	2.14%
2019-20	3521	0.03%	17616	-3.67%	5004	-3.68%
C.A.G.R	0.03%		0.75%		0.72%	

Source:-Statistical Abstract of Punjab 2010 to 2020

The table showed that total production of wheat were increased from 16472 thousand metric ton in 2010-11 to 17616 thousand metric ton in 2019-20 with minor compound annual growth rate 0.75 percent. The study further revealed that the highest negative annual growth rate of wheat production was recorded (-16.73 %) in 2014-15, followed by (-8.38%) in 2012-13 and by (-3.67 %) in 2019-20. The highest annual growth rate of wheat production was found 8.89 percent in 2016-17 and 8.40 percent in 2011-12.

The study further revealed that total Yield of wheat were increased from 4693 kg per hectare in 2010-11 to 5004 kg per hectare in 2019-20 with compound annual growth rate 0.72 percent. The study further revealed that the highest negative annual growth rate of wheat yield was recorded (-16.57 %) in 2014-15, followed by (-7.90%) in 2012-13 and by (-3.68 %) in 2019-20. The highest annual growth rate of wheat yield was found 9.18 percent in 2016-17 and 7.93 percent in 2011-12.

The table 2 shows the growth of Paddy area cultivated, production and yield per hectare. The total area under paddy cultivation in Punjab increased from 2830 thousand hectare in 2010-11 to 3142 thousand hectare in 2019-20 with compound annual growth rate 1.17 percent. There has been not much increase in area under paddy cultivation in Punjab. The annual growth rate of area cultivated under paddy was increased from -0.43 percent to 1.24 percent.

**Table 2: Compound Annual Growth Rates AND Growth Rates of Area, Production and Yield of Paddy**

Year	Cultivated Area (000 hectare)	%age of Annual Growth	Production (000 m ton)	%age of Annual Growth	Yield (kg per hectare)	%age of Annual Growth
2010-11	2830	-	10833	-	3828	-
2011-12	2818	-0.43%	10542	-2.76%	3741	-2.33%
2012-13	2845	0.95%	11374	7.31%	3998	6.43%
2013-14	2849	0.14%	11259	-1.02%	3952	-1.16%
2014-15	2895	1.59%	11111	-1.33%	3838	-2.97%
2015-16	2970	2.53%	11803	5.86%	3974	3.42%
2016-17	3046	2.50%	12638	6.61%	4149	4.22%
2017-18	3065	0.62%	13382	5.56%	4366	4.97%
2018-19	3103	1.22%	12822	-4.37%	4132	-5.66%
2019-20	3142	1.24%	12675	-1.16%	4034	-2.43%
C.A.G.R	1.17%		1.76%		0.58%	

Source:-Statistical Abstract of Punjab 2010 to 2020

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The table showed that total production of paddy were increased from 10833 thousand metric ton in 2010-11 to 12675 thousand metric ton in 2019-20 with compound annual growth rate 1.76 percent. The study further revealed that the highest annual growth rate of paddy production was recorded (7.31 %) in 2012-13, followed by (6.61%) in 2016-17 and by (5.86 %) in 2015-16. The highest negative annual growth rate of paddy production was found -4.37 percent in 2018-19 and -2.76 percent in 2011-12.

The study further revealed that total Yield of paddy were increased from 3828 kg per hectare in 2010-11 to 4034 kg per hectare in 2019-20 with compound annual growth rate 0.58 percent. The study further revealed that the highest negative annual growth rate of paddy yield was recorded (-5.66 %) in 2018-19, followed by (-2.97%) in 2014-15 and by (-2.43 %) in 2019-20. The highest annual growth rate of paddy yield was found 6.43 percent in 2012-13 and 4.97 percent in 2017-18. Table 3 below presented the instability in area, production and yield of wheat during the study period. In the whole period of study highest variation 5.92 percent was found in production of wheat with mean value 17115.3 and Standard deviation value 1013.63 as compare to area and yield. The variation in area and yield of wheat were 0.26 percent and 5.80 percent along with mean value 3511.9 and 4873.3 respectively. The value of standard deviation was 9.32 and 283.09 in area and yield of wheat.

Year	Cultivated Area (000 hectare)	Production (000 metric ton)	Yield (kg per hectare)
2010-11	3510	16472	4693
2011-12	3528	17982	5097
2012-13	3512	16591	4724
2013-14	3510	17610	5017
2014-15	3505	15086	4304
2015-16	3506	16068	4583
2016-17	3495	17636	5046
2017-18	3512	17830	5077
2018-19	3520	18262	5188
2019-20	3521	17616	5004
Mean	3511.9	17115.3	4873.3
S.D	9.326783	1013.633	283.0987
C.V	0.265577	5.922379	5.80918

Source:-Statistical Abstract of Punjab 2010 to 2020 and Instability is measured in percent

Year	cultivated Area (000 hectare)	Production (000 m ton)	Yield (kg per hectare)
2010-11	2830	10833	3828
2011-12	2818	10542	3741
2012-13	2845	11374	3998
2013-14	2849	11259	3952
2014-15	2895	11111	3838
2015-16	2970	11803	3974
2016-17	3046	12638	4149
2017-18	3065	13382	4366
2018-19	3103	12822	4132
2019-20	3142	12675	4034
Mean	2956.3	11843.9	4001.2
S.D	124.1827	969.6703	182.7614
C.V	4.200612	8.187086	4.567665

Source:-Statistical Abstract of Punjab 2010 to 2020 and Instability is measured in percent

The above table 4 presented the instability in area, production and yield of paddy during the study period. In the whole period of study highest variation 8.18 percent was found in production of paddy with mean value 11843.9 and Standard deviation value 969.67 as compare to area and yield. The variation in area and yield of paddy were 4.20 percent and 4.56 percent along with mean value 2956.3 and 4001.2 respectively. The value of standard deviation was 124.18 and 182.76 in area and yield of Paddy.

### Conclusion

From the analysis of growth in paddy and wheat, it was found that area, production and yield observed an increasing trend, they increased at a growth rate of 1.17 percent, 1.76 percent and 0.58 percent in paddy. But in the wheat growth in area was stagnant and the production and yield was increased at a growth rate of 0.75 percent and 0.72 percent respectively. The instability analysis showed that more variation in growth was found in production of both the crops followed by yield and area respectively. The stability of area was found under wheat crop which implies that cropping pattern of wheat were stable during the study period. So in the end to increase the production and yield of both the crops with limited agriculture land will be possible various government schemes, improved production technology and R& D innovations.

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