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### SARDAR PATEL UNIVERSITY

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### **FOREWORD**


The Post Graduate Department of Business Management (MBA Programme) at Sardar Patel University (NAAC Accredited Grade A with a CGPA of 3.25) has been a cornerstone of management education since its establishment in 1989. It is widely recognized as one of the premier management institutions in Gujarat.

The University Grants Commission, New Delhi, acknowledged the department's excellence in research by granting it special assistance under DRS-II for "Consumer Research in Rural Areas," a project successfully completed in March 2016. Building on this achievement, the department was awarded SAP DRS-III (2016-2021) for an ambitious study on the "Transformation of Rural Economy." Additionally, the department undertook a significant project titled "Knowledge, Attitude, and Perception of Voters in Gujarat," commissioned by the Election Commission of India. These initiatives underscore the department's unwavering commitment to delivering quality education and fostering robust placement opportunities.

Research has always been central to the department's activities. Faculty members actively contribute through impactful publications, and the department organizes an annual national seminar addressing contemporary management topics to promote research. All ten faculty members are recognized Ph.D. guides, under whose mentorship more than 100 scholars have completed their doctoral degrees, with 50 more currently pursuing their research.

This journal, *Synergy: Journal of Management, Sardar Patel University*, serves as a dynamic platform for scholarly interaction, encouraging the exchange of research findings, insights, and ideas among academics and practitioners in the management domain. This issue continues the tradition of disseminating innovative research and fostering intellectual growth.

I extend my heartfelt congratulations to the editors for their dedication and commendable efforts in bringing out this edition of *Synergy*. I am confident it will provide valuable insights to teachers, researchers, and students alike.

  
**Prof. (Dr.) Niranjan P. Patel**  
Vice-Chancellor  
Sardar Patel University  
Vallabh Vidyanagar

## **Editorial**

We are delighted to present Volume 24, No. 1 and 2 of our journal, which encapsulates an impressive array of research spanning the period from January to December 2022.

This volume features a diverse collection of studies that illuminate critical aspects of management theory and practice. The papers explore topics ranging from financial performance analysis of microfinance institutions in India to comparative insights into family businesses versus non-family business performance.

In addition, our contributors have examined compelling subjects such as the trends and organizational responses to the Covid-19 pandemic from an HR technology perspective, and the synergies between Fin-techs and MFIs, shedding light on the benefits, risks, and challenges involved.

Further enriching this edition, we present studies on psychological well-being and attrition among IT professionals in India, as well as a conceptual framework for work-life balance and career success among working women.

Our journal also delves into international business trends, including a comprehensive study of Afghan dry fruit and spice exports to India, reflecting the global outlook of management research.

We express our profound gratitude to all the authors whose scholarly contributions have added immense value to this volume. Their rigorous work not only advances academic understanding but also provides practical insights for the contemporary business environment.

We invite our readers to immerse themselves in the thought-provoking research presented in this volume and to share their feedback, fostering a vibrant dialogue within the management community.

**(Dr. Darshana R. Dave)**  
**Director**

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# **An analysis on the Financial performance of Micro Financial Institutions in India**

**Dipali Hasmukh bhai Gajjar<sup>1</sup>**

**and**

**P. K. Priyan<sup>2</sup>**

## **Abstract**

**Purpose:** India, as a developing country, faces significant challenges due to poverty. Addressing this issue is crucial. Many institutions aim to provide financial support to individuals and businesses to foster entrepreneurship. This study's primary goal is to assess the financial performance of Microfinance Institutions (MFIs) and their capacity to support entrepreneurs.

**Research Methods:** This study utilized nine financial ratios derived from the yearly reports from different MFIs, which were accessed through their respective websites. The research is based on secondary data covering a five-year period from 2019 to 2023.

**Findings:** The analysis reveals that top-performing MFIs employ diverse business models. The study calculated the mean values of the nine ratios and employed various statistical tools, including Total Count, Mean, Standard Error of the Mean, Standard Deviation, Variance, Total, Minimum Value, Median, Maximum Value, Range, Mode, Skewness, and Kurtosis. The results indicate that five of the nine ratios exhibit a Kurtosis value between -2 and +2, suggesting a normal distribution, while the other four ratios exceed +2, indicating a deviation from normality. This suggests that the firms are financially robust.

**Keywords:** Financial performance, Earning per share ratio (EPS), Operating revenue/ share, Net Profit/Share, Net Profit/ Employee, ROCE, CASA, Return on Assets (ROA), Return on Equity (ROE), and Operating Profit to Total Assets Ratio.

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## **Introduction**

The significance of microfinance in a developing country like India is immense. It is essential for the socio-economic upliftment of the poor and low-income communities. Poverty remains a major challenge on both national and international fronts. The author emphasizes that microfinance is a key instrument for poverty alleviation. It is essential for the development of both rural and urban areas. (Sharif, 2018).

**MFIs in India: An Overview:** Microfinance is a crucial concept for many countries, providing essential financial services such as credit and insurance to those in need. It offers funding to the poor who require financial assistance. Globally, microfinance is gaining traction as governments, central banks, donors, and developmental agencies promote it to address the needs of underserved populations. In India, various institutions operate in both the public and private sectors, with MFIs classified as formal and semi-formal entities. The idea of small credit for enterprises was first introduced by Lysander Spooner in Germany in the 1800s, while modern microfinance was pioneered by Muhammad Yunus in Bangladesh in the 1970s. Since then, interest from agencies, governments, and entrepreneurs has surged, with the primary objective of MFIs focused on poverty alleviation (World development report, 2000).

According to Robbins, “microfinance refers to small-scale financial services that encompass both credit and deposits,

specifically aimed at supporting micro or small businesses in their operations” (Rao, 2008).

According to Karmakar, (2008), every business requires financial support for its operations. In 2005, the United Nations acknowledged the necessity of financial services for the poor, aiming to "build an inclusive financial system that works for the poor." Since then, India has developed strategies to highlight the crucial role of finance in promoting rural development. Financial institutions, in line with broader objectives, facilitate funding for agriculture and small businesses. The author also discusses interest rates, which have been deregulated and have remained high over the past decades. For priority sectors, the credit requirement is set at 40%. Following the industrial policy and liberalization of the 1990s, competition in the banking sector, including both public and private institutions, intensified. As noted by (Ledgerwood, 1999), microfinance has experienced significant growth due to its ability to reach the poor, its promise of financial sustainability, its potential to complement traditional systems, its contribution to strengthening and expanding the formal financial sector, the emergence of success stories, and the availability of enhanced

financial products resulting from innovation and experimentation.

## **Literature Review**

According to Rai (2015) this study analysed the performance of microfinance institutions (MFIs) in India, with an emphasis on their operational age. The study aimed to investigate and compare profitability, portfolio quality, and capital adequacy across different age groups of MFIs. Using the Life Cycle (LS) method, the author analysed three categories: old, mature, and young MFIs. The sample consisted of 40 MFIs in India. Contrary to the common belief that older MFIs tend to be larger and perform better financially, the findings revealed that newer MFIs outperformed their mature and older counterparts in terms of asset quality and growth rate. The study adopted an exploratory and descriptive approach, gathering data from 14 young MFIs, 14 mature MFIs, and 12 old MFIs to assess their performance using financial metrics such as return on assets, return on equity, operational self-sufficiency, and portfolio risk.

According to (De Crombrughe, 2008) the study examined three key aspects of sustainability: revenue coverage of costs, loan repayment, and cost management. Financial and operational data were obtained from Sa-Dhan, a recognized Self-Regulatory Organization (SRO) for Microfinance by the Reserve Bank of

India. Primary data were collected through questionnaires and analysed using various statistical methods, with the findings illustrated through diagrams and charts.

The study concluded that it is possible to cover costs for small, partially unsecured loans without increasing loan sizes or monitoring expenses. To enhance financial performance, the recommendations included refining interest rate policies through better segmentation and aggregate the number of nonpayers per field officer, especially in collective delivery models.

According to the author Arsyad (2005) the study focused on evaluating the performance of village credit institutions in Bali. Performance was assessed using financial indicators, including portfolio quality, leverage, capital adequacy ratio, productivity, and financial viability, along with outreach measures such as loans, savings, and deposits. Data were collected from financial reports from 1999 to 2001, supplemented by interviews, and were interpreted using a descriptive approach. The study indicated that the Lembaga Perkreditian Desa (LPD) in Gianyar district, Bali, achieved better performance compared to both formal and informal MFIs.

This study given by Kipesha (2013), sought to assess performance of Micro Financial Institutions in Tanzania. The study considered six factors: financial, social, customer, learning,



growth, and inner processes of business. Using a balanced scorecard approach, the author surveyed 870 respondents from various institutions, including NGOs, banks, and MFIs. The outcomes exposed a positive correlation among overall performance and non-financial metrics, demonstrated that low financial performance was associated with low productivity and profitability in the MFIs.

This study Agarwal (2010) focused on measuring the financial performance of MFIs, analysing 22 five-star-rated MFIs. The study utilized secondary data, examining financial ratios such as capital/assets ratio, debt/equity ratio, deposits to loans, and return on equity. Efficiency was evaluated by comparing operating expenses to the loan portfolio, while risk management was assessed through indicators such as Portfolio at Risk (>30 days), Loan Loss Reserve Ratio, and Write-Off Ratio. The analysis utilized statistical techniques, including Mean, Standard Error, Median, Standard Deviation, and Kurtosis, among others.

## **Objective**

The main objective of this study is to evaluate the financial performance of Indian Microfinance Institutions (MFIs) over the period from 2019 to 2023.

## **Research Gap**

This research specifically examines the financial performance of both large and small Indian MFIs. While numerous studies have analysed financial performance in general, there has been limited recent research focused on various MFIs. This paper purpose is to fill that gap by assessing the financial performance of distinct MFIs, encompassing both pure microfinance institutions and commercial banks, over the last five years, including 2023.

## **Research Methodology**

The study utilizes data from five MFIs—HDFC Bank, Equitas Small Finance Bank, SBI, ICICI Bank, and Ujjivan Small Finance Bank—spanning the years 2019 to 2023 to determine their market share. Among these, three are classified as large MFIs and two as medium-sized. Financial performance will be assessed through various ratios, including Earnings per Share, key performance ratios, and productivity measures. Overall performance will be measured using three Key ratios such as Return on Assets (ROA), Return on Equity (ROE), and Return on Investment (ROI) will be analysed using various statistical methods. These methods will include Total Count, Mean, Standard Error of the Mean, and Standard Deviation, among others.

## Data Analysis and Interpretation

Analysis aims to provide insights into the financial performance and efficiency of the business or investment under consideration. Deviation, Variance, Sum, Minimum, Median, Maximum, Range, Mode, Skewness, Kurtosis, and P-value.

Statistical Analysis of Selected MFIs The table presents various statistical parameters for the selected Microfinance Institutions (MFIs). The mean Earnings Per Share (EPS) is 25, with a standard deviation (SD) of 27.40. The skewness is 0.78, while kurtosis is -0.87; values of kurtosis between -2 and +2 indicate a normal

**Table.1: Different ratios for five MFIs**

Tools	EPS	Operating revenue/ share	Net Profit/ Share	Net Profit/ Employee	ROCE (%)	CASA (%)	Return on Assets (%)	Return on Equity / Net worth (%)	Operating Profit/Total Assets
<b>Mean</b>	25	145.0	23.41	834341	2.836	35.03	1.156	10.22	-0.257
<b>SE Mean</b>	5.48	25.2	5.24	191436	0.194	4.33	0.190	1.58	0.177
<b>StDev</b>	27.40	126.1	26.22	957178	0.972	21.67	0.952	7.88	0.883
<b>Variance</b>	750.80	15897.7	687.64	9.161	0.945S	469.54	0.906	62.08	0.779
<b>Sum</b>	624.92	3625.6	585.16	20858520	70.900	875.69	28.890	255.41	-6.420
<b>Minimum</b>	-2.40	12.7	-2.40	-245392	0.000	0.00	-1.750	-15.92	-3.080
<b>Median</b>	12.28	114.4	12.25	387642	3.100	42.37	1.330	11.31	1.530
<b>Maximum</b>	79.25	372.1	79.05	2610652	4.580	100.00	3.300	27.43	-0.170
<b>Range</b>	81.65	359.4	81.45	2856045	4.580	100.00	5.050	43.35	4.610
<b>Mode</b>	56.29	-	-	0	-	0	1.78	-	-0.77
<b>Skewness</b>	0.78	0.46	0.96	0.80	-1.04	0.59	-0.88	-1.29	-1.16
<b>Kurtosis</b>	-0.87	-1.35	-0.37	-0.98	1.85	2.24	3.01	4.68	3.57

Source: Spss output

univariate distribution.

For mean operating revenue per share, the figure is 145.1, with an SD of 126.1. Skewness and kurtosis are recorded at 0.46 and -1.35, respectively, both falling within the acceptable range for normal distribution.

The mean net profit per share among the selected MFIs is 23.41, accompanied by an SD of 26.22. Skewness is 0.96 and kurtosis is -0.37, which also aligns with the normal distribution criteria.

In terms of net profit per employee, the mean score is 834,341, with an SD of 957,178.

Skewness is 0.80, and kurtosis is -0.98, indicating normal univariate distribution. However, the ROCE (%) and CASA metrics show kurtosis values exceeding +2, signalling a deviation from normality. Similarly, return on assets (%) and return on equity (%) also present kurtosis values beyond the acceptable range, indicating non-normal distribution. The Operating Profit to Total Assets (%) score has a kurtosis of 3.57, which also falls outside the acceptable range for normal distribution.

### **Limitation**

A significant limitation of this study is the unavailability of certain data ratios, as some information was not found in secondary sources.

**Conclusion:** The net profit per share ranges from 20% to 30%, with a mean of 23.41%, considered favourable. The mean EPS for the selected MFIs is 25, with an SD of 27.40, skewness of 0.78, and kurtosis of -0.87—within the acceptable range for a normal univariate distribution. The mean operating revenue per share is 145.1, with an SD of 126.1, skewness of 0.46, and kurtosis of -1.35, also indicating normal distribution.

The mean net profit per employee among the selected MFIs stands at 834,341, with an SD of 957,178, skewness of 0.80, and kurtosis of 0.98, suggesting normality. The mean ROCE (%) is 2.836, with an SD of 0.972, skewness of -1.04, and kurtosis of 1.85, reflecting normal distribution.

CASA (%) has a mean of 35.03, indicating that this portion constitutes 35.03% of the overall fund's cost. However, the ROA for the five MFIs is only 1.2%, below the expected range of 5-20%. The kurtosis value of 2.24 for this ratio exceeds +2, indicating a lack of normality.

The mean score for return on equity (%) is 10.22, with skewness of -1.29 and kurtosis of 3.01, which, despite being within the acceptable range, still indicates non-normality with a kurtosis value of 4.68. The average Benefit to Total Assets (%) score is -0.257, with a kurtosis of 3.57, also indicating a departure from normal distribution. The kurtosis value of 4.68 in the

Return on Value to Total Assets (%) ratio further confirms this.

This analysis evaluates various metrics of five MFIs to assess their financial performance, including per-share ratios, key performance indicators, and efficiency metrics. Overall performance is assessed using return on assets (ROA) and return on equity (ROE), which are calculated through various statistical methods, including mean, median, mode, maximum, minimum, skewness, kurtosis, range, variance, and standard deviation.

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# A Comparative Analysis of the Performance Dynamics in Family-Owned and Non-Family-Owned Businesses

Dharmi Kansara<sup>1</sup>  
and  
P. K. Priyan<sup>2</sup>

## Abstract

**Purpose:** The research objective of comparing ‘family and non-family businesses’ is supported by key variables such as profitability (ROE, ROA, ROCE, NPM), firm size (Total Assets, Liabilities), market capitalisation, and liquidity (current and quick ratios). These metrics provide a comprehensive and quantifiable framework for effectively analysing performance disparities, which is consistent with the study's objectives.

**Design/Methodology:** This study takes an empirical approach to financial performance analysis, relying on secondary data that was collected systematically. A systematic observation method is employed, with data sourced from selected family and non-family businesses' annual reports. The study examines financial performance over five years (2019-2023), revealing trends and differences between the two types of businesses.

**Findings:** The application of “Levene's t-test” is used to ‘show that there are’ notable distinctions between ‘family and non-family businesses’ with regard to ‘ROA, NPM’, and total liabilities. The test does not, however, find any appreciable variations in other important metrics, such as Market Capitalisation, (ROE), (ROCE), and “Total Assets”. These results show similarities in other financial aspects while highlighting particular areas where performance differences exist.

**Research Implications:** This study provides valuable data about how ‘family and non-family businesses’ perform, so its conclusions are relevant to Indian businesses in both categories, whether they are family-run or not.

**Originality/Value:** Probably there are other factors that researchers could use in comparing the performance of ‘family and non-family businesses. Because non-family businesses are often superior to family businesses, future research may consider why family businesses are often smaller than non-family businesses.

**Keywords:** Family enterprises, non-familial enterprises, Contrasting family and non-family enterprises, Operational effectiveness, Profitability.

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## Introduction

Business entities owned by the families are a sound and significant category of organisations in any economy of any nation. However, the World Economic Forum acknowledges more social, economic and ecological challenges around the world today. Some of these challenges require to be addressed effectively through the involvement and mobilisation of family business proprietors because these are the principal change makers and equally hold significant positions in the global economy World Economic Forum. At present, about 87 percent of the global businesses are family business as pointed out by the United Nations Conference on Trade and Development. About 60 % of the total world population is associated with family business and globally accounts for about 70% of the world GDP.

Other existing empirical researches but done recently reveal that Family Business perform better than non-Family Business. Thus, there has been a growing focus in literature on the performance differential between the firms that use complexity and those that do not. families. Nonetheless, scholars and studies on family business agree sustaining that family businesses are more efficient than non-family businesses, with specific reference to profitability and

financial performance (the accounting rates of return) (Allouche *et al.*,2008). A number of scholars have concerned themselves with the debate in question in different ways with different outcomes on the performance of family businesses. Bloom *et al.* (2007) enumerated certain cause that can put a FMB in the negative side which includes Family altruism Nepotism. Based on the most recent article from The Times of India on July, 2023, majority of incorporated ventures in the country that is 85 percent are managed by the families and have a strong contribution to the GDP of the India. The global survey of Indian companies reveals that a large percentage of highly profitable companies are those family businesses. These enterprises many of which are multigenerational have grown over time to become international business conglomerates which has enhanced reckoning of Indian business on the international plane. Novelties on this exhibit show evidence that family businesses are more and have higher performance than non-family businesses. Hence, by pin pointing with the requirements of the research community, better and more efficient bibliographic services can be started The comparison of performance of family and non- business

has received more attention. (Hansen *et al.*,2020).

The following claims have been made in family business literature based on research evidences which point out that family business is more profitable than non-family business and these businesses are better endowed in terms of financing (Allouche, *et al.*, 2008). Based on the literature, it is evident that the family business comes with a host of performance implication, which are positive and negative.

According to Bloom in 2007, family benevolence and favouritism has positive force that constrains the performance of family businesses. However, according to (Audretsch *et al.*,2013), some of the strengths that can be sourced from family business include long –term orientation and low management agency cost.

According to (Allouche *et al.*,2008) in his research he investigated the factor that has most dominant role in the family business in particularly with reference to the profitability. Consequently, under condition of management ownership, management works more efficiently and increases more stockholder value as measured by higher and more relevant market equity ratios. They are managed better extent without as much reliance as

the compared to other firms' debt (McConaughy *et al.*,2001) Many people are in different businesses which brings internationalization and therefore bigger levels of sales (Zahra *et al.*,2003). Since, patron-controlled firms out turn, perform better and accrue more value as evident by higher market equity ratios. Chrisman (2004) aptly proves in the case of a small family and non-family business that the issue of short-term sales growth is indeed quite unrelated.

The family businesses can invest a great deal towards improving the economy of India, however, they experience many problems all over India every now and then as and when they step out into the world of competition against the international companies. As earlier mentioned, Sheth said that on the Indian family businesses, the barrier of change and innovation was well posted. But those that have embraced modernization and therefore been subjected to changes in their managerial practices stand better chances of dealing with these multinational corporations in the export market.

Therefore, there is the research question which provides the direction of how to compare the family businesses with the “non-family businesses”. Greater than these is that previous research works have had no

feeling of distinction and did not try to make a distinction between family.

### **Literature Review**

Several authors attempted to confirm and/or compare the efficiency of working in family business with the efficiency of working in non-family business, and this led to mixed results. Many researches have been conducted across the world for the purpose of trying to unravel why family business is underperforming other non-family businesses. Of all these articles, 60% of them proposed that the performances of family business students are even better than non-family business students. Some of them stated that the performance of family business and non-family business is similar (Perridon *et al.*, Journal of Small Business Management 2005). However, other similar studies done on firms in Indonesia during 2006-2010 holds different view regarding performance of the firms stating that non-family business have better performance than the family firms as pointed by Singapurwoko *et al.*, 2013. The theory revealing that family businesses have fewer agency costs, and long-term objectives as compared to non-family businesses propose that The family-owned business may be more advantageous than non-family own businesses. (Anderson *et al.*, 2003). Empirical evidence comparing 47 family businesses and 41 non-family businesses

indicated that Spanish family businesses are more productive than its non-family counterpart even though both groups are equally profitable. Cowling *et al.* (1996) for example observed that private family firms and non-family firms make nearly similar performances. Upon referencing to the current literature as postulated by (Sacristán *et al.*, 2011) it has been stated that family business opposes the expansion of boards saying that they are afraid of losing power. Different authors have written about the impacts that fluctuating managerial structures that exist in this sector (Coren *et al.*, 2014). The authors have used family and non-family categorization in most of their papers. Apart from this, getting an opportunity to have worst situations where the relationships between family business and performance have been negative as pointed by Marcelo *et al.*, (2015). In elaboration, (Marcelo *et al.*, 2015) identified that three key aspects that are as part of succession, ownership, and the family's management power are in close proximity. Although there are many papers discussing their specific topics, there are few that compare each one's overall effectiveness

### **Research Gap**

This study highlights the 'significant differences between family-owned and non-family-owned businesses' in a number of financial categories. Before, 'a number



of studies examined’ and contrasted the financial status of ‘family businesses’ with ‘non-family businesses’ (Allouche *et al.*, 2008). So, this paper goes beyond what has been found in the past by highlighting that there exists some difference between the two types of business relative to some given variables.

**Objectives**

The relationship between family and non-family business is an interesting area of academic enquiry as the major goal of the study is going to be to compare the financial performance of family businesses with that of non –family businesses.

- To examine the profitability of family-owned and non-family-owned companies.
- To examine the differences in size between businesses that are family-owned and those that are not.
- To compare the market positions of family-owned and ‘non-family-owned businesses.
- To find out how the liquidity positions of ‘family-owned’ and ‘non-family-owned’ businesses differ.

• **Research Methodology**

This work is actual since only secondary sources would be used for the collection

of data. This secondary data was used in the methodical analysis that follows and is shown in the table below. The performance of four out of the many family businesses in the North American region is analysed. and four non-family businesses during the 2019–2023 fiscal year. The chosen family and non-family businesses' annual reports served as the primary data source for this study.

This study investigates the comparison of various variables between ‘family and non-family businesses’, including as shown in Table 1.

**Table 1: Variables**

S/N.	Variables
1	ROE
2	ROA
3	NPM
4	ROCE
5	Company Valuation
6	Liquidity Ratio
7	Short-term Liquidity Ratio
8	Company assets
9	Total costs

Source: Author’s compilation

When selecting the sample, there are some specific criteria that must be met in both ‘family and non-family businesses. Criteria for analysing ‘family businesses’ are: The family directly controls over forty

percent of the stock; Only the members of families are involved in managerial decisions; The members of families are gradually replaced through generations; The women of the families work or are engaged in the business. Non-family business can be one or more than one partnership firms, government or non-governmental organizations. To ensure that like was compared with like, the researchers resorted to “Levene’s t test”. This test helps one analyse variance in the variables being tested.

### **Hypothesis**

This is the reason why this study aims to establish a linear regression model between family and non-family businesses with the following variables; market capitalisation, “ROE”, “ROA”, “ROCE”, “NPM”, total assets, quick ratio, current ratio and number of employees.

**H01:** Another comparison of the percentage Return on Equity (ROE) There is no significant difference between ‘family and non-family businesses.

**H02:** The findings also indicate that the mean Return on Assets (ROA) ‘Family businesses’ do not differ statistically from ‘non-family businesses.

**H03:** This study discovered that Trinidad's ‘family and non-family businesses’ have similar NPM and Total Asset Ratio.

**H04:** The results show that the majority of the companies analysed have the same average ROCE, whether they are ‘family or non-family businesses.

**H05:** The Company Valuation of ‘Non-Family businesses’ is almost equal to that of ‘family businesses’ represented by Volvo.

**H06:** There is no significant difference in the Liquidity Ratio of ‘family businesses’ versus ‘non-family’ ones.

**H07:** There is no significant difference between ‘family and non-family businesses’, which are equally employed Short-term liquidity ratio.

**H08:** There is difference in company assets between ‘family and non-family businesses.

**H09:** The data obtained from the examination of different ratios leads to the conclusion that the overall costs of ‘family businesses’ and ‘non-family businesses’ are nearly equal.

### **Analysis and Interpretation**

As a result of this literature review, a look at multiple factors to establish some major distinctions between ‘family business and non-family business’ classifications has been presented.

- ◇ A convenient sample of the ‘family business's’ return on equity (ROE) with the mean being 8.742 and standard deviation of 9.232 size= 20

Non-Family Business - Mean (1.54)  
 Standard Deviation (14.277)  
 convenient sample size=20 F-test  
 4.265, p-value 0.178 Assumption of  
 equal variance met ( $p > 0.05$ ) two  
 sample variance ratio: 1.642.

- ◇ Return on Assets (ROA) Family  
 Business: Mean: 5.342, SD 5.682,  
 Frequency: 20 Non-Family  
 Business: Mean: 5.887, SD: 5.887,  
 Frequency: 20 Levene's F: 0.002  
 Equal Variance Assumed: F: 0.966  
 Equal Variance Not Assumed F  
 0.049.
- ◇ Return on Capital Employed  
 (ROCE) Family Business  
 Mean 13.116, SD 6.815, n=20 Non-  
 Family Business -Mean 6.733, SD:  
 6.562, n=20 Levene-Test sig 0.029  
 Equal variance assumed sig. 0.684  
 Equal variance not assumed sig.  
 0.686
- ◇ Net Profit Margin (NPM): Family  
 Business Mean = 8.509, SD =  
 8.223, n=20, Non-Family Business  
 Mean = 6.348, SD = 22.110, n= 20  
 Test (Sig) = 0.169, Sig Equal  
 Variance = 0.683, Sig Nonequal  
 Variance = 0.005
- ◇

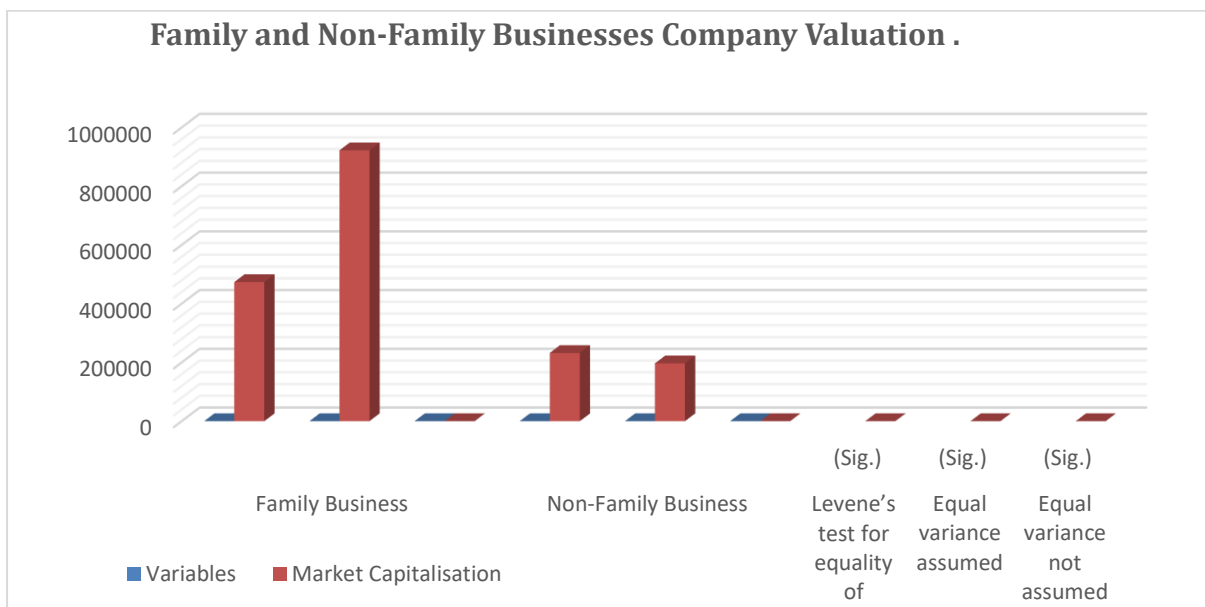
The various 'financial performance' factors  
 of 'family and non-family businesses' are  
 compared below. Looking at ROE, the

mean of 'family business' is much higher,  
 8.742 as opposed to a mean of 1.540 for  
 non-family business. However, if we  
 examine the F-test of equality of variance,  
 with a  $p = 0.178$  there is no evidence to  
 deny this assumption. That means, larger  
 variance of data may confuse the difference  
 in ROE even in non-family business,  
 compared with family business represented  
 as FGV. For ROA, family business has a  
 mean of 5.342 while non-family businesses  
 have a mean of 5.887, Family businesses  
 are however marginally lower. Levene's  
 test also discovered that the variances are  
 unequal ( $p = 0.002$ ) Since this assumption  
 is one way, the p-value is also lesser than  
 0.05: 0.049, this also implies that Family  
 Businesses have less variance in their asset  
 returns. As for the Return on Employed  
 Capital (ROCE) index, the researched  
 family businesses use it better than non-  
 family ones, but with a higher mean (13.116  
 and 6.733, correspondingly), while the  
 equality of Variances ( $p = 0.684$ ) or  
 Variances not equal ( $p = 0.686$ ) tests suggest  
 The two groups' means did not differ in a  
 statistically significant way. Evidence from  
 the Levene's test suggests unequal  
 variances ( $p = 0.029$ ), however it still does  
 not have the effect of contribution of no  
 significant mean difference in the context  
 of ROCE. Last of all, the mean for Net  
 Profit Margin (NPM) and family businesses  
 is 8.509 whereas for the non-family

businesses, the mean is 6.348. Nevertheless, Levene test equal variance assumption was obtained  $p = 0.169$  GROUPS indicate equal variance while unequal variance  $t = 0.005$ ,  $t < 0.05$  and therefore F group has significant different NPM than the non-F group, meaning family businesses have higher stable profit margin. In this paper family businesses have been

considered to have higher performance in some areas such as ROE and ROCE compared to non-family businesses, though the data's variability seems to be the determining factor in the mean differences between the two groups. and significance level may increase or decrease depending on equal or unequal variance assumption.

**Graph 1**



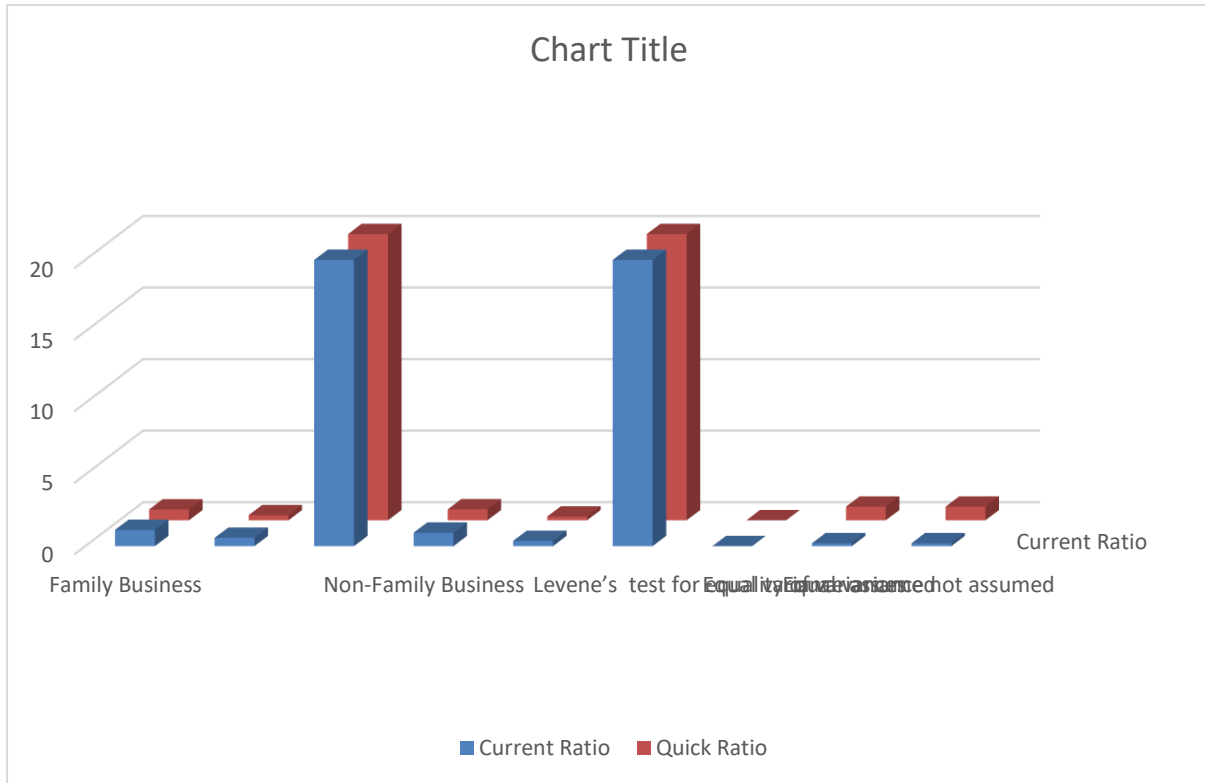
Source: The results are computed using SPSS.

The Graph shows analyses the Comparison of Company valuation of 'family businesses' and 'non-family' companies by employing mean and variance statistics. The outcome shows that the sample family businesses' mean is mathematically higher. (Mean = 473,565.75) but more volatile (Std. Dev.=922,198.599) than the non-family businesses (Mean= 232,255.00 & Std. Dev. = 196,930.006) based on 4

samples only. The "Levene's ratio" for Analyse of Variances also suggests equality of variances (Sig. = 0.058) if we go by the 0.05 standards. Moreover, the Sig value obtained as equal variance assumed is 0.627 and Sig value obtained when variance is not assumed is 0.641, hence suggesting that the differences of mean In the case of market capitalization there is, however, no

significant difference between family and non-Family businesses.

**Graph 2: The ratio of liquidity and short-term ‘Family businesses’ and ‘non-family businesses’ have different liquidity positions, as indicated by the liquidity ratio.**

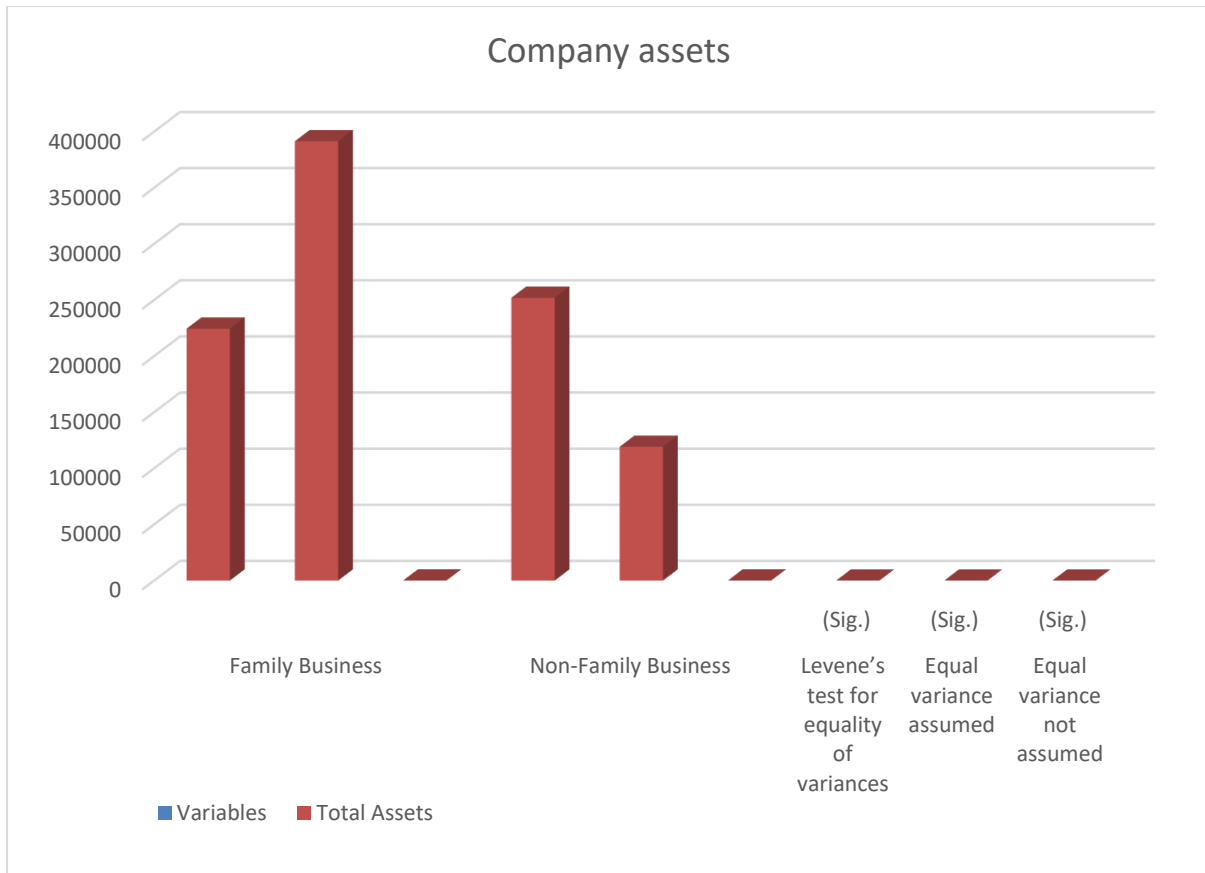


Source: SPSS output.

Graph 2 reveals that the mean for the current ratio in family businesses is 1.14 percent while that for non-family businesses is 0.94 percent. The equal sample variances are confirmed by the F-value of 3.238 and a p-value of 0.080. Looking at the equal variance column we have Sig value of 0.203 which goes beyond 0.05. As such, In this case, the null hypothesis is not rejected. As a result, it is suggested that the current ratios of the current assets and current liabilities of the existing family and non-family business.

From the above table, having a quick ratio mean of 0.76 percent for Family business while for Non-Family business it was 0.76 percent also. As seen from the presented data, the F-value is 0.960, and the p = 0.333 indicates equal variances in the sample. When checking the equal variance column, you can see that the significant value is higher than 0.05 and is 0.948. Because of this, the null hypothesis cannot be disproved, ‘family and non-family businesses are almost equivalent.

**Graph 3: Company assets, which relate to business size, are one way to distinguish ‘family businesses’**

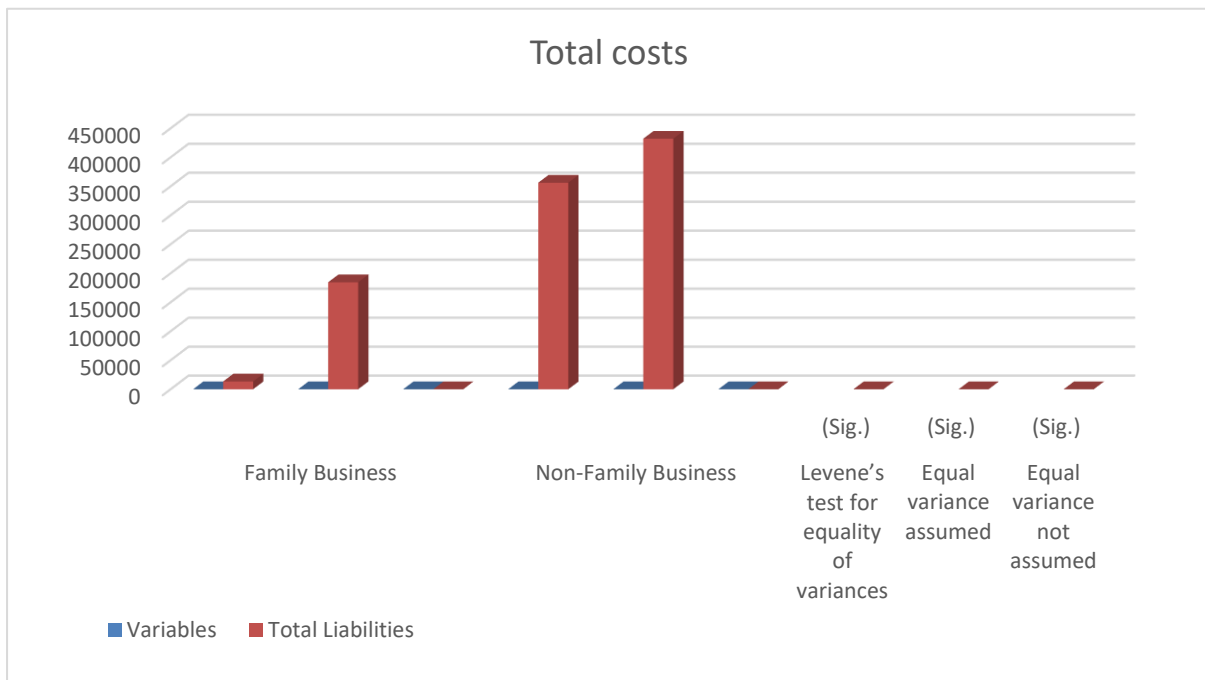


Source: SPSS Output.

The average total assets of non-family businesses are 251,932.96 in the graph above, while those of family businesses stay at 224,441.83. The F-value is 25.632, however the p-value is 0.000 which is less than 0.05, it suggests unequal variance in the sample. When checking the column for unequal variance, it got 0.765 which is

beyond 0.05. Consequently, has the null hypothesis been proven right, and, hence, has it not been possible to reject? As a result, it can be said that the total assets of ‘family and non-family businesses’ are not statistically different.

**Graph 6: ‘Family businesses’ and ‘non-family businesses’ differ in terms of the size of their total costs.**



Source: SPSS output.

As depicted from the graph above the calculation of the mean total liabilities for family business is 13,442.76 while for non-family business is 356,242.90. The F-value is 11.29 and has a Sig value of 0.002 for the sample, which would point out unequal sample variance. The data was tested for equal variance, and the findings show that the significant value is 0.045, or less than 0.05. Hence, there is a need to invoke a failure to null hypothesis. Hence, the current study posits that there is a significant variation in the total liabilities of both family and non-family business organisations.

**Findings:** For the purposes of ROE, the F-value = 1.88 while the p-value = 0.178 which suggest that the samples have equal

variance. Sometimes, when comparing variances, the following result is obtained  $F = 2.261$ ;  $Sig = 0.066$ , which is higher than the significance level of 0.05, meaning inequality of variances. Therefore, since for the variable measure of ROE, the null hypothesis cannot be rejected. As to ROA the F value is 0.002 and p-value is significant 0.966, therefore the variances within the sample are equal. In equal variance column with reference to the significant value that was tested for ROA the value obtained is 0.049, which is less than 0.05.

Therefore, there is negation of the null hypothesis while the affectation factor relative to the variable ROA are regarded significant at 0.05 levels of significance. As

for the ROCE F value = 5.174 and p value = 0.029, which means samples on variance are not equal. However, when testing the superior mean, this time in the unequal variance column for ROCE It was discovered to be 0.686, which is directly higher than 0.05. As a result, the variable does not refute the null hypothesis. ROCE. For NPM, F ratio is 0.169 and sig. value is, 0.683 Therefore it concludes the samples have equal variances. Now again if we look on the equal variance column for NPM it having the significant value 0.005 which is small than the 0.05. Consequently, the null hypothesis is also refused for the variable NPM. For market capitalization, we have F-value 5.453 and their p-value 0.058 and this indicates that we have equal variance of sample. and that of equal variance for now is 0,627 which is greater than 0,05, thus to the column respectively. Therefore, it can decided that effect declared in the null hypothesis cannot be rejected.

In the current ratio, moreover, F-value is 3.238,  $p < 0.080$ , thus indicating that the sample has an equal variance. However, if we are evaluating the column for equal variance the observed figure is 0.203 which is higher than 0.05. What can thus be located is that no evidence exists to allow the rejection of the null hypothesis. Regarding the quick ratio, we have F-value of 0.960 and the p-value of 0.333 Therefore

it means that the value in the sample varies in the way we want it to.

For verifying this for unequal variance by considering a column, we have got 0.765 which is higher than the cutoff point of 0.05. Consequently, we can conclude that regarding the null hypothesis no rejection could be made. For total liabilities, overall, the F-value is - 25.632 and the equality of variances is established at higher significance level of p-value of 0.000. Now, when testing the column for unequal variance it equalled 0.765 which differs from 0.05 only by a comma. Therefore, for the null hypothesis they were able to not reject it.

**Conclusion:** In this study, the parameters of profitability, company size, market capitalisation, and business debt were compared between family-based and non-family-based businesses in an overall analysis of the companies. ‘Family businesses’ are actually more successful than ‘non-family businesses’, according to empirical data. It is evident from the aforementioned analysis that there is minimal variation in ROE and ROCE between family and ‘non-family businesses. However, it has been discovered that the ‘family businesses have a lower ROA and a lower NPM than non-family business.



From Table II the author is able to demonstrate that there is almost no difference in size from that of a family and non-family business ranging between the two. But if the total of both, the total liabilities from family businesses, as well as from if the strategic players are either inside or outside the family, a difference is indeed important when the non-family ones are compared.

Along the same vein concerning Market capitalization, there is no variation between 'family business and non' - 'family business

firms. Therefore, no difference was observed in the absolute values of current ratio as well as quick ratio in liquidity structure of both the family and non-family business groups. Thus, it is possible, in further work, to compare other variables in To determine how 'family and non-family businesses' perform. Because most family businesses are smaller than non-family businesses, future research can focus on this area to explain why. Perhaps this will shed some light on the factors that determine the size of a 'family businesses versus a 'non-family businesses.

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# **Customer Relationship Management Practices - A Study of Perspectives of Distributors of Premium Personal Care Products/Brands In Gujarat State**

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**and**

**Darshana Dave<sup>2</sup>**

## **ABSTRACT**

Bobby Darnel rightly said the “Customer Relationship Management is your GPS to a better route on your Business Development Journey”. When it comes to building a successful business from the ground up, the customer relationship management practices play a major role. CRM enunciates that the knack is not in the customer relationship itself but rather in building and maintaining that rapport throughout the lifecycle of the customer. The researcher in the research effort assesses the perceptions of 320 distributors who distribute premium personal care products / brands located in Ahmedabad, Baroda, Rajkot and Surat City in Gujarat state. The study carried out aims to know whether CRM practices adhered by the distributors in case of distributing the premium personal care products segment help in increasing the number of customers taking the purchase decisions regarding premium personal care products/ brands or not.

**Key Words:** Customer Relationship Management Practices, Distributors, Perspectives

## **INTRODUCTION**

The main aim of every business is economic gain. A company ensures that it carries out all the activities which help in realising the economic gain. Now-a-days this economic gain is termed as profits maximised by the company in the accounting parlance. For maximising the profits, the buzz word in the contemporary times is “Customer Relationship

Management Practices”. It is rightly believed that word of mouth is the most important way to achieve greatness. One dissatisfied customer will ensure that the company losses on multiple clientele business. In order that the customers are satisfied, customers exhibit more loyalty and do not show the tendency of switching over to the other brands or other products,

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the customer relationship management practices are adhered today by every organization.

## **LITERATURE REVIEW**

Maklan and Knox (2013) states that Customer Relationship Management is really useful to vouch the needs and requirements of the customers. It keeps the track record of all the information about the customers. Mokhtar and Yusoff, (2014) stated that the main objective of the customer relationship management practices is create a sustainable competitive advantage among the small and medium enterprises. Fan and Ku. (2015) said that CRM ensures that both the customers and organization gets their due worth and the customers can choose to be repetitive customers by having long term relationships with the organization. Bhattacharya (2016) explained that the Customer relationship management is very much important for the Abrazhevich (2021) opined in case of customer relationship management the most important aspect is that both the customers as well as the company believe both of them to be reliable and trustworthy. Yen (2022) said that because of customer relationship management practices a company can earn more profits as the repeat customers often and again make frequent purchases. Patel and Mehta (2023) stated that by taking the help of technology in crm practices, there is a positive impact on time, cost overruns and scheduling aspects of the organization.

insurance segments which cater to needs of the customers during the life of customers as well as also takes care of the deceased nominee when the existing customer is not alive. Ashouri (2017) said that Customer Relationship Management (CRM) is a good marketing tool which is used to attract and entice the customers to convert their requirements in to need. Kraft (2018) said that Customer relationship management (CRM) helps in creating the relationship with the customer which will help both the customers and organization to fulfil their short term, medium term and long-term goals. Agnihotri, and Bhavani (2019) said that crm is very useful for a business to grow, sustain and mature in this competitive landscape. Datta and Mukhopadhyay (2020) states that crm helps the organization in curtailing costs thereby fulfilling the objective of low costs.

The delays are avoided to a great extent because of e-corm. Ismail et. al (2024) Customer Relationship Management helps the company to improve its processes and thereby become more efficient in their dealings.

## **RESEARCH GAP**

The above reviews did not cover the perception analysis of the distributors emphasising the significance of crm practices in case of premium personal care products / brands. Hence as a part of

the research gap the survey was carried out to assess the perspectives of the distributors across major cities of Gujarat State.

The methodology section outlines the plan and method that how the study is conducted. The below mentioned table describes how the research is carried out.

**RESEARCH METHODOLOGY**

Purpose	To study the perspectives of distributors of premium personal care products/brands in Gujarat state.
Research Design	Descriptive Research Design
Target Population	Distributors who distribute premium personal care products / brands
Sampling Unit	Ahmedabad, Baroda, Rajkot and Surat City
Sampling Method	Non-Probability Convenience Sampling Method
Sample Size	80 distributors each from Ahmedabad, Baroda, Rajkot and Surat City totalling to 320 distributors.
Data Collection	Primary Data is collected with help of close ended and structured questionnaire
Scale of Measurement	Likert Scale

**RESULTS AND DISCUSSION**

The demographic detailing about the distributors surveyed included the questions based on their gender, age, and education. The tabulated analysis along with their inferences is revealed as below.

The gender wise distribution aims to classify the perspectives of male as well as female distributors with respect to customer relationship management perspectives. The below table no.1 reveals that 320 distributors were surveyed. Among all the 320 distributors 268 distributors were male and 52 distributors were female.

**Gender wise Distribution of Distributors**

**Table 1: Gender wise Distribution of Customers**

Sr. No.	Gender	No. of Distributors	Percentage
1	Male	268	83.75
2	Female	52	16.25
<b>TOTAL</b>		320	100.00

*Source: Primary Data*

**Age wise Distribution of Distributors**

The below table no. 2 represents the classification of the 320 distributors surveyed among the age groups

viz 8-30 years, 31-42 years, 43-54 years, 55-66 years and Above 66 years

**Table 2: Age-wise Distribution of Distributors**

Sr. No.	Age Group	No. of Distributors	Percentage
1	18 – 30 years	35	11
2	31-42 years	122	38
3	43- 54 years	93	29
4	55-56 years	45	14
5	Above 66 years	25	8
<b>TOTAL</b>		320	100.00

*Source: Primary Data***Educational Qualification wise Distribution of Distributors**

The below table no. 3 represents the classification of the 320 distributors surveyed having different education profile such as Graduates, Postgraduates,

Doctorates as well as other educational profiles such as diploma or have undergone any skill certifications in sales, distribution and marketing.

**Table 3: Educational Qualification of Distributors Surveyed**

Sr. No.	Education	No. of Distributors	Percentage
1	Graduates	138	43
2	Postgraduates	86	27
3	Doctorates	51	16
4	Others	45	14
<b>TOTAL</b>		320	100.00

*Source: Primary Data***Product Distribution Category**

The table no. 4 represents the classification of the 320 distributors surveyed which opined that who were main target audience to whom the Premium

Personal Care Products were distributed among the major cities viz Ahmedabad, Baroda, Rajkot and Surat of Gujarat State.

**Table 4: Premium Personal Care Products Products distributed**

Sr. No.	Category	No. of Distributors	Percentage
1	Only for Male	134	42
2	Only for Female	109	34
3	Both for Male as Well as Female	77	24
<b>TOTAL</b>		320	100.00

*Source: Primary Data*

## Which Premium type of Personal care Products were dealt in?

The table no.5 represents the classification of the 320 distributors surveyed to whom it was asked that which type of Premium type of Personal care Products they distributed. For example, Premium

Skincare, Premium Fragrances, Premium Colour Cosmetics, Premium Hair Care, Premium Health Supplement, Premium beauty care products etc.

**Table 5: Premium type of Personal care Products distributed**

Sr. No.	Premium type of Personal care Products distributed	No. of Distributors	Percentage
1	Premium Skincare	64	20
2	Premium Fragrances	45	14
3	Premium Colour Cosmetics	58	18
4	Premium Hair Care	38	12
5	Premium Health Supplement	32	10
6	Premium beauty care products	83	26
<b>TOTAL</b>		320	100.00

*Source: Primary Data*

## Type of Distributor Category

The table no.6 reveals that 320 distributors were surveyed. Among all the 320 distributors, 48 distributors distributed personal premium care products across Ahmedabad, Baroda, Rajkot and Surat city on micro scale basis, 135 distributors distributed personal premium care products across Ahmedabad, Baroda, Rajkot and Surat city on small

scale basis, 86 distributors distributed personal premium care products across Ahmedabad, Baroda, Rajkot and Surat city on medium scale basis, and 51 distributors distributed personal premium care products across Ahmedabad, Baroda, Rajkot and Surat city on large scale basis.

**Table 6: Type of Distributor Category**

Sr. No.	Type of Distributor Category	No. of Distributors	Percentage
1	Micro Scale	48	15
2	Small Scale	135	42
3	Medium Scale	86	27
4	Large Scale	51	16
<b>TOTAL</b>		320	100.00

*Source: Primary Data*

## Assessment of the distributor's perspectives regarding customer relationship management practices

**Table 7: Ideal and Least Scores of Distributors respect to best customer relationship management practices**

Category	Equation	Ideal Score	Equation	Least Score
Distributors who perceive CRM practices are responsible for Increased purchases of Premium Personal care Products / Brands by the customers	$320*3*16$	15360	$320*-1*16$	-5120

*Source – Survey Results based on Primary Research*

**Table 8: Responses of the Distributors with respect to best customer relationship management practices**

No	Perceptions	Strong Consent	Consent	Neither Consent Nor Dissent	Dissent	Strong Dissent	Total score
		+3	+2	+1	0	-1	
S1	The distributors offer the products with which customers are emotionally attached.	$71*3 = 213$	$103*2 = 206$	$89*1 = 89$	$30*0 = 0$	$27 * -1 = -27$	481
S2	The distributors are committed to offer the products which is best suited to the needs of the customers	$59*3 = 177$	$107*2 = 214$	$106*1 = 106$	$28*0 = 0$	$20 * -1 = -20$	477
S3	The distributors promptly communicate to the Customers whenever need arises.	$151*3 = 453$	$115*2 = 230$	$37*1 = 37$	$10*0 = 0$	$7* -1 = -7$	713
S4	The distributors have developed robust grievance handling mechanism for conflict resolution	$203*3 = 609$	$57*2 = 114$	$43*1 = 43$	$9*0 = 0$	$8* -1 = -8$	758
S5	The distributors always remain in touch of the customer by phone / email	$86*3 = 258$	$101*2 = 202$	$73*1 = 73$	$30*0 = 0$	$30* -1 = -30$	503
S6	The distributors are always ready to solve the	$134*3 = 402$	$92*2 = 184$	$73*1 = 73$	$16*0 = 0$	$5* -1 = -5$	654



	complaint / grievances if and when they arise						
S7	Customer Care is one of the main mottos of the distributors	49*3 = 147	130*2 = 260	57*1 = 57	44*0 = 0	40* -1 = -40	424
S8	The distributors believe in continuous feedback mechanism	46*3 = 138	135*2 = 270	93*1 = 93	26*0 = 0	20* -1 = -20	481
S9	The distributors focus more on Innovation and Quality to have long lasting relations with the customers	101*3 = 303	116*2 = 232	64*1 = 64	30*0 = 0	9* -1 = -9	590
S10	The distributors always try to enhance Knowledge Management capabilities of their staff to meet the diverse needs of the customers	96*3 = 288	147*2 = 294	57*1 = 57	15*0 = 0	5* -1 = -5	634
S11	The distributors always plan according to the requirements revealed by the customers	148*3 = 444	79*2 = 158	64*1 = 64	17*0 = 0	12* -1 = -12	654
S12	The services provided by the distributors increases the repeat orders from the customers	151*3 = 453	75*2 = 150	42*1 = 42	28*0 = 0	24* -1 = -24	621
S13	The distributors remain very much alert to changing taste and preferences of the customers	150*3 = 450	107*2 = 214	28*1 = 28	20*0 = 0	15* -1 = -15	677
S14	The distributors use technology effectively to fulfill the expectations of the customers	82*3 = 246	137*2 = 274	48*1 = 48	29*0 = 0	24* -1 = -24	524
S15	The distributors try to maximize trust of the consumers	71*3 = 213	103*2 = 206	89*1 = 89	30*0 = 0	27* -1 = -27	481

	for long lasting relationships						
S16	Incessant top management support helps the distributors to increase the number of the footfalls of the customers.	140*3 = 420	90*2 = 180	60*1 = 60	20*0 = 0	10* -1 = -10	650

*Source – Survey Results based on Primary Research*

**Table - 9 -Aggregate Score**

No	Perceptions	Total score
S1	The distributors offer the products with which customers are emotionally attached.	481
S2	The distributors are committed to offer the products which is best suited to the needs of the customers	477
S3	The distributors promptly communicate to the Customers whenever need arises.	713
S4	The distributor has developed robust grievance handling mechanism for conflict resolution	758
S5	The distributors always remain in touch of the customer by phone / email	503
S6	The distributors are always ready to solve the complaint / grievances if and when they arise	654
S7	Customer Care is one of the main mottos of the retailers / distributors	424
S8	The distributors believe in continuous feedback mechanism	481
S9	The distributors focus more on Innovation and Quality to have long lasting relations with the customers	590
S10	The distributors always try to enhance Knowledge Management capabilities of their staff to meet the diverse needs of the customers	634
S11	The distributors always plan according to the requirements revealed by the customers	654
S12	The services provided by the distributors increases the repeat orders from the customers	621
S13	The distributors remain very much alert to changing taste and preferences of the customers	677
S14	The distributors use technology effectively to fulfill the expectations of the customers	524
S15	The distributors try to maximize trust of the consumers for long lasting relationships	481
S16	Incessant top management support helps the distributors to increase the number of the footfalls of the customers.	650
Total Score		+9322
Least Score		- 5120
Ideal Score		+ 15360

*Source – Survey Results based on Primary Research*

The total score of the respondents is 9322. The ideal score outlining action plans to address key issues and of the same is 15360. The percentage of the ideal score enhance collaboration.

generated from the responses given by the respondents is

60.69. However, in no case the total score comes near to the The distributors of Premium Personal Care Products least score. This reflects that from view point of distributors brands must publicly acknowledge distributors who CRM practices adhered by the distributors in case of contribute valuable feedback or innovative CRM distributing the premium personal care products segment suggestions, fostering a culture of continuous help in increasing the number of customers taking the improvement.

purchase decisions regarding premium personal care products/ brands.

### **SUGGESTIONS**

The distributors of Premium Personal Care Products brands must facilitate partnerships between distributors for co-marketing or bundling complementary products to increase sales.

The distributors of Premium Personal Care Products brands must provide resources for entering new markets, including local market research, marketing support, and CRM adaptation.

The distributors of Premium Personal Care Products brands must conduct frequent distributor surveys to gather feedback on CRM tools, processes, and overall satisfaction.

The distributors of Premium Personal Care Products brands must share survey results with distributors,

**CONCLUSION:** Personal Care Industry particularly with respect to premium personal care products provides the great opportunities of increased sales which will lead to expansion of business in form of establishing more retail spaces both for meeting domestic demand as well as foreign demand. By integrating these suggestions, premium personal care product brands can ensure stronger partnerships with their distributors, leading to improved CRM practices, enhanced customer satisfaction, and increased profitability. These suggestions will lead the personal premium care brands players or companies build the robust customer relationship management practices which in turn will be responsible for the customer becoming a patron, leading to most profitable opportunities in for the personal premium care brands players in terms of volume and value.

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# **A Comprehensive Study of Afghan Dry Fruit and Spice Exports to India**

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## **Abstract**

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This work aims at examining the flow of dry fruits and spices between Afghanistan and India with emphasis on the existing state and the existing trends of trade relation. The objective of the study is to offer vital information, regarding the fluctuating trends of the export of dry fruits and spices between the two countries. Further, the work explores the historical and current trends that ascertain the flow of dry fruits and spices in the international market; it also covers the volume, value, and different varieties of these products traded. It also tries to determine the existing status of this commerce by examining the trade policies, agreements, and regulations concerning it. Secondly, focusing on the research questions, the study reveals the factors influencing trading of dry fruits and spices between Afghanistan and India. These features are critical to developing approaches that would improve and also facilitate the trade relations between the two countries. Using this information, policymakers and business entities as well as other stakeholders can make informed decisions as well as improve and enhance economic cooperation between Afghanistan and India and thus help stimulate economic development of the aforementioned countries. Finally, this study will use data that were collected between 2011 and 2022.

**Keywords:** Dry Fruits, Spices and Supply Chain, Export, Trade Relations, India And Afghanistan.

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## Introduction

Afghanistan is a South Asian country with an agro-resource rich topography that is reeled with great potential for growth including export of quality dry fruits and spices. The combination of good soil, good climate and traditional farming makes the country prosper in the production of the desired internationally valued agricultural crops. The more popular ones are almonds, pistachios, and raisins, along with saffron, cardamom and cumin. These products are a part of Afghanistan's agricultural history, and are very important in the country's ability to generate foreign exchange earnings, which will ultimately contribute to Afghanistan's economic growth (Rahimi *et al.*, 2017). Currently one of the major customers for these agricultural products is India given the growing consumer preference for natural and healthy and traditional food ingredients. Hunger and food insecurity are the main problems that exist in India; these problems are magnified due to the large population of the country and its vast geographical spread. However, the Indian market is also established by rich culinary culture that regards many ingredients including the dry fruits and spices important for daily cooking and folk medicine (Dubey *et al.*, 2019). In this regard, given the historic trading relationship between the two regions and today's Nearness of Afghanistan to India, export of Afghan dry fruit and spices to India would be a good business opportunity (Malhotra *et al.*, 2021). There has been a long history of Afghan and Indian relations including trade relations and friendly

parties dating back for several years. These aspects of their commerce have been supported by historical trade corridors including the silk corridor which helped in the passage of social, political and economic correlations between the two regions. In this history dry fruits and spices have been dominating products in the bilateral trade, where Iranian traditional products such as pistachios, almonds, raisins, saffron, cardamom, and cumin are often traded with India. These goods remain important culturally and economically in both countries, an indication of the sustained importance of the agricultural exports from Afghanistan (Rahimi *et al.*, 2017).

According to the historical trade relations and today's economic realities, it is possible to state that the development and strengthening of the Afghan Indian trade collaboration within the context of dry fruits and spices is not only contribute to the improvement of the Afghan economic potential but also to enhance regional cooperation. Bearing in mind the growing global demand for healthier natural and traditional food products Afghanistan agriculture exports to India can enhance this strategic economic relation for both the nations and set the ground for long- term and more expanded trade relations (Chandra *et al.*, 2016).

## Background and Context

Bilateral relations between Afghanistan and India have a history which spans several centuries; therefore, trade constitutes the core aspect of the relation. Trade relations can be best described

when looking at the past business occurring between the two nations: commodities, such as dry fruits and spices, have been exchanged for quite some time. Afghanistan, with good natured black soil, clear blue skies and ideal climate for agriculture has been famous for delivering yummy, mouthwatering and shiny dry fruits and spices from the early times. Due to its vast population and a variety of regional cuisines, India has become one of the major consumers of these products (Zaki *et al.*, 2018).

### **Historical Trading Relations**

Khan *et al.* (2020) There were many reasons that led to the historical trading relations between Afghanistan and India such as geographical links cultural links: there used to be old track routes. Trade connections, the well-known Silk Road included, connected these regions, which thereby saw a proper conduit of traded merchandise including dry fruits and spices. These routes also played the role of channels of transfer of the cooking culture meaning that assimilation of cuisines and practices was realized. Trade relations between Afghanistan and India: Research in medieval era An analysis As the medieval period set in the relations between the two regions of Afghanistan and India developed further. (Chandra *et al.*, 2016) classified that the Mughal Empire which was dominant in the Indian region was one of the major trading partners of various parts of the region including Afghanistan.

### **Present Situation of Trading Relations**

Today, the trading relations between Afghanistan and India are in the developing process (Kumar *et al.*, 2020). Afghanistan exports dry fruits and spices, which remain important commodities in the trade between Afghanistan and India, given their potential for growth Afghanistan's dry fruits, including almonds, raisins, and walnuts, are renowned for their fine quality and excellent taste. (Singh & Sharma *et al.*, 2019). Meanwhile, spices like saffron and cumin are preferred for their aroma and soothing properties (Patel *et al.*, 2021). As a large, populous country with a wide variety of food preferences, India is a significant consumer market for Afghan dry fruits and spices (Khan *et al.* 2020). However, the current trading situation presents several challenges. Issues such as inadequate healthcare infrastructure and resource availability in both Afghanistan and India, along with infrastructure limitations, border control, and trade barriers, hinder progress Nevertheless, both countries are showing interest in intensifying trade relations and overcoming these impediments through bilateral cooperation agreements, policy adjustments, and trade liberalization measures (Ahmed *et al.*, 2021).

### **Review of Literature**

Focus on the factors that affect the export of dry fruits from Afghanistan with special reference to the problems and prospects of the business. The study reveals the most urgent issues like restrictions on the access to the foreign markets, poorly developed processing and packaging infrastructure, and weak quality control. At the

same time, the article also reveals possible sources of business development such as the global trend referring to people's higher concern about healthy and natural food products (Miller *et al.*, 2023). To penetrate the challenges and opt for the opportunities of the Afghan dry area, the author recommends the following ways including infrastructure development, quality management on the products, and trade consolidation (Miller *et al.*, 2023). Some of the issues that form the subject of analysis include production capabilities, product quality and market forces. As such, it highlights the issues of limited processing and storage centres, information on market prices, and poor coordination among the various stakeholders. It was noted that there is a need for investment on modern technology, infrastructure and capacity development to increase the both the quality and quantity of exported pistachios. It also proposes better market research, product positioning, and advertisement strategies to exploit export market opportunity of Afghanistan's pistachios studied Afghanistan Pistachio industry opportunity & Constraint in Exports (Miller *et al.*, 2023). Specifically, the following research question needs to be answered 'What are the factors affecting export performance of Afghanistan's saffron industry?' The technical and trade efficiency factors include production capacity, quality standard, knowledge of the market and trade facilitation factors. It analyses effects of these factors on export volume and value of the soft commodities. From the research study, it is evident that the issues of product quality, branding, and

market intelligence proved as key in increasing export capability. The proposed strategies include among others modern technology, enhancing production facilities and capabilities as well as marketing capability to enhance competitiveness and export of saffron from Afghanistan. (Omar, & Haider, *et al.*, 2021). Given the diverse almond samples the researchers analysed samples from different regions of Afghanistan, the researchers established and rated important factors including size, shape, colour and texture. Molecular methods of genetics is also used to study the genetic variation and phylogenies of the available almond genotypes. The information obtained in this study contributes to the knowledge that exists on Afghanistan almond diversity in order to contribute to this country's conservation, breeding, and sustainable agriculture practices.

### **Political environment**

Analyses the dilemma faced in border politics of South Asia with the special reference to India, Pakistan, and Afghanistan. This paper explores the features of the border matters – historical, political and socio-economic of these countries. The work examines the consequences of borders disagreement, security threats, and cross-border commerce for the levels of stability and cooperation in a region. They shed a light on the aspect of border politics and stressful an urgent and challenging call to work together to resolve (Singh *et al.*, 2020).

Consequently, the study highlights the need to improve the infrastructure and implement policy



change as well as private and public partnership in order to foster trade connection and exploit the available trade opportunities. It reveals the problem encountered by Afghan and Indian traders and suggests how to enhance bilateral trade relations for the two countries' development. (Singh *et al.*, 2020) analyses the trends and prospects of Dry fruits' import in India. Employing data analysis for the consumption trends and market factors, the study shows the growing consumption of dry fruits in India and available opportunities for importers. Here the author gives genuine indications to understand the dynamics contributing to the development of dry fruit import market in India, suggesting directions to exporters and players as a navigation tool. (Mishra *et al.*, 2019) further attempts to analyse trends of the dry fruit market chain in India with the help of comparative analysis of selected dry fruits. The paper aims at identifying different trends, patterns as well as factors affecting import and consumption of dry fruits in India to help local and foreign dry fruits producers in the country capitalize on the identified opportunities. (Hashemi *et al.*, 2022). Research also analysed the effects of supply chain problems and such practical factors that affect the excellence of non-profit supply chains on the non-profit organizations in Afghanistan. The research highlights, through evidence, the challenges impacting the supply chains of non-profit organizations. It defines the factors that determine supply chain performance in order to be enhanced. These conclusions are useful for non-profit organizations in Afghanistan to

improve their general performance by avoiding supply chain issues and utilizing practices that have a positive effect on the supply chain performance. Analysing the potential and problems of the Afghan agricultural exports with the focus on the dry fruits. This paper also underlines that Afghan dry fruits have possibility to expand the export market, but they face some important problems like shortage of infrastructure and quality problems, and offers how these problems could be solved. As it is clear from the research, sectors like the Afghan dry fruits needs intervention and help from the policy makers to make them more competitive in the international markets. Analyse the export performance of India and Afghanistan, to identify the factors that control the export competence of these nations. The paper evaluates how trade openness, infrastructure and institutional quality affect exports and export destination. Indeed, infrastructure improvement advocacy and enterprise policy changes and market diversification both seemed to have a similar impact on exports in the two countries. The importance of this type of information will lie in the attempts to identify the patterns of India as import/exporter in the spices sector. This paper focuses on the factors that affect the spice trade which are the customer preference, spice quality and the market structure. The areas the study focuses are supply chain management, technology acquisition, and developing marketing strategies for realizing the growth prospects in the Indian spices market (Siddiqui *et al.*, 2021). In the article published in the European Journal of Social

Sciences, the author analyses the factors which negatively affect the export and import activities between the countries in question.

Looking at factors such as customs procedure, transport sector and the regulatory hurdles, the authors make an effort to elucidate the challenges that the Afghan exporters have to endure when exporting their products into India (Ehsan *et al.*, 2020). The present study provides some insights into the trade flux and suggestions which may help policy makers and other stakeholders to overcome such obstacles in improving the bilateral trade, analysed the factors that affect import demand of spices included price, income, population, and exchange rates. The results help to identify the factors affecting the demand for spices in India and contribute to the development of the subject of import demand for spices and the elaboration of structurally relevant agricultural and trade policies (Ehsan, *et al.* 2021). His previous research work includes comparatives of trade between Afghanistan and India comprising of dry fruits and spices. Some of the focus areas that have been explored in the study include the export flow and the value as well as other factors that explain the export between Canada and UK. The specifics of the analysis hold promise for the directions of increased cooperation and overcoming the problems that have been identified in the sphere of dry fruits and spices export. (Ansari *et al.*, 2020). established with the purpose of analysing the trade flows and prospects of the dry fruits and spices business between India and Afghanistan Trade was defined, avenues were traced, noteworthy products

were recognized and the current and future trends were also discussed in the study. Therefore the conclusions drawn from the research are useful when evaluating the possibility to develop the trade cooperation and enhance the bilateral economic relations. (Allison Smith *et al.*, 2020) analysing the export potential of Afghan dry fruits and spices in the export market especially in India. Firstly, the study examined general macro environment in the target markets to analyse its trends, secondly, it evaluated the barriers to market entry in these markets, and thirdly, the study determined the competitiveness of Afghan products. It focuses on the Afghan exporters' prospects in the Indian market and offers promising intervention suggestions on export profile and access to the market. (Rahimi *et al.*, 2018) focuses on the problems that have been faced by agricultural product exporters in Afghanistan and discusses the possible prospects of overcoming these problems.

This paper aims at analysing the factors including: poor physical facilities and structure, restricted market access, limited knowledge on market conditions and standards, poor quality assurance in exports. Such key issues challenge and present the author with some strategies including: increasing infrastructure, increasing market knowledge, increasing quality control and cooperation in trade as was mode to increase agricultural product exports from Afghanistan. (Rahimi *et al.*, 2018) discusses the Indian engagement in Afghanistan and the obligations it carries with the increasing

involvement in the said country's affairs. In the context of threats and opportunities there are some key considerations that this article shows Afghanistan as valuable for India to secure regional safety, to build trade routes and to fight terrorism. It also describes the problems the country encounters in pursuit of its self-interests in Afghanistan and in the entire region. Challenges and the requirements of the Afghan government and the society. The article thus discusses India's role in the context of Afghanistan and suggests that while it is important to use its soft power and contribute to the Afghan development, New Delhi must do it in ways that are acceptable to the other countries in the region and take into consideration such shifts of the geopolitical realities on the ground. It analysed the activities that make up India's soft power strategy including aid and developmental cooperation, cultural diplomacy, and training and capacity-building engagements with Afghanistan aimed at increasing New Delhi's impact in the country.

The article reveals the purpose, difficulties and consequences of this approach, that helps to understand such important factors of India's strategy in Afghanistan. (Bolton *et al.*, 2015) It overviews the agricultural subsectors in Afghanistan with reference to the concept of 'economic profitability and viability' at subsector level. The paper explores the obstacles that Afghan farmers encounter today these include ownership of modern technology, infrastructure issues and explores the possibilities for boosting the

productivity and profitability of the agriculture business in Afghanistan.

It emphasizes on the feasibility of sustainable agriculture practices, absorbing market and policy supports in order to be more competitive and have a sustainable economy as well as food security in the Afghan nation. (Ramish *et al.*, 2022) It discovered that the structural form of OFR increases the food mileage than the conventional structure. This is due to the fact that the organised food retail model acquires suppliers from the areas close to the harvest regions, which are in most cases situated remotely from the distribution centre. This research also revealed that technology is a critical factor in supply chain management.

### **Technology**

The usage of technology made an improvement to the supply chain and at the same time internationalization is also made easy, emerges to address the impact of supply chain disruption on stockholder's wealth in the Indian context (Chakraborty *et al.*, 2022).

The paper seeks to review literature on supply chain disruptions with a view of understanding the financial impact of disruption on publicly listed firms in India in terms of their share price. The research adds to the knowledge base on potential and real threats facing companies on their supply chain and underscores the need to develop and maintain robust supply chain management approaches in a bid to minimise any damaging

effects to stockholders. (Adhikari *et al.*,2018) The work assesses the trade opportunity and threat of Afghanistan with India. Some of the aspects that are considered include; trade relations that involves trade policies, trade facilitation and market access, which define the opportunities and constraints on bilateral trade. The results indicate that the countries have abundant opportunities to expand the trade sector; they also propose directions to overcome the existing problem and improve the cooperation in this sphere (Behzad *et al.*, 2017). That is why, in the given article, the author offered analysis of the tendencies, threats, and possible developments in trade relations between Afghanistan and India. This paper seeks to study the history, policy and trade to understand Trade liberalization and transport cost involve an analysis of trade policies the role of the physical infrastructure of transport and the cultural characteristics of different countries as factors that influence trade. These results imply that work needs to be done to increase and develop transport networks and other trade enabling measures to boost the trading partnership. (Ray *et al.*, 2017) Dental plaque-revisited. examines the nature of trade relations between India and Afghanistan with regard to trade flows, factors influencing trade and consequences. It on the other hand uses quantitative techniques to analyse magnitude and direction of determinants of trade which includes GDP, exchange rate among others and trade policies. It also highlights some opportunities for further development and proposes certain recommendations concerning the policy related to

them and reveal the determinants. Shaping the trade relationship. It is for these reasons that the study emphasizes on call for policy reforms, infrastructure and institutional cooperation in order to improve the bilateral trade. (Das *et al.*, 2020) discusses about trading partners of India and highlights strengths and weaknesses of bilateral trading with Afghanistan. It also provides the opportunity to diversify the existing trading relations in the sectors like agriculture, textile and pharma while pointing out the issues that are transportation, custom formalities and market access issues. (Mandal *et al.*, 2019) provides a review of India's trading partners with emphasis on Afghanistan to establish the prevailing trade balances and constrain of the bilateral trade.

the development of the two countries' bilateral trade and economic relations. Dissects the Trade Relations between India and Afghanistan keeping in view the trade competitiveness index, trade compatibility, and access to markets and barriers. This research uses econometric models to simulate the likely levels of trade that can be established and notes down the major factors that may affect this. The study also points the great trade potential and calls for effective solution to the barriers to trade with the aim of realizing this potential(Ray *et al.*, 2017).

Hence, the reviewed literature reveals a number of issues and prospects within the context of Afghanistan's dry fruit export, factors affecting export performance of Afghanistan's saffron sector, the issues related to border relationships in South Asia with special reference to India,

Pakistan, and Afghanistan, trade relations between Afghanistan and India with emphasis on cooperation and prospects, the trends and prospects of the dry fruits import in India, the factors influencing the dynamics of the Indian dry fruits. Collectively these studies offer a background towards understanding of trade relations between India and Afghanistan. They assess the trade flows, report on the problems that exist and the opportunities that are likely to emerge in the bilateral trade context, stressing that policy changes, infrastructure improvements and institutional collaboration are necessary to boost the countries' trade and economic relations.

### **Research Gap**

The literature review entails a review of the agricultural export industry in Afghanistan; the challenges, probable clients, and trading environment among them. By examining the exhaustive literature, the subsequent is a general summarization of the findings on the trade of dry fruits and spices between Afghanistan and India over a decade. But, as the research identified, there is a lack of ideas in using technology to overcome the aforementioned difficulties while they are successful. Namely, more research has not been done to establish how emerging technologies from the current block like blockchain and data analytics may be of assistance to the transparency of the supply chain and quality assurance of products, trade procedures. Moreover, there is a dearth of literature with regard to the adoption of these technologies in the country's agribusiness

especially with regard to the exportation of dry fruits and spices. Studying the applicability and potential effects of some of such technologies could be informative to policymakers and other stakeholders who wish to enhance the competitiveness and sustainable of the Afghan agricultural export produce.

### **Objectives**

- To list out the factors affecting the trading of dry fruits and spices between Afghanistan and India.
- To study the current status of the trade of dry fruits and spices between India and Afghanistan.

### **Methodology**

#### **Research Design**

This study utilised analytical research strategy. The trade data was analysed to get the quantitative results and this helped in determining the existing trends.

#### **Data Collection**

Primary data was gathered from official records of Afghan Ministry of Commerce and Industries, United Nation's Comtrade, Afghanistan-Statistical-Yearbook and Indiatat besides The Observatory of Economic Complexity, World Integrated Trade International Financial Statistical source and published research papers. Over the past decade statistics of trade were also collected to find a general trend of trade taking place and changes

with respect to time mainly in the period of 2011-2022 at the age of 10 years.

### Data Sources

- Afghan Ministry of Commerce and Industries
- United Nations Comtrade
- Afghanistan-Statistical-Yearbook
- Indiastat
- The Observatory of Economic Complexity

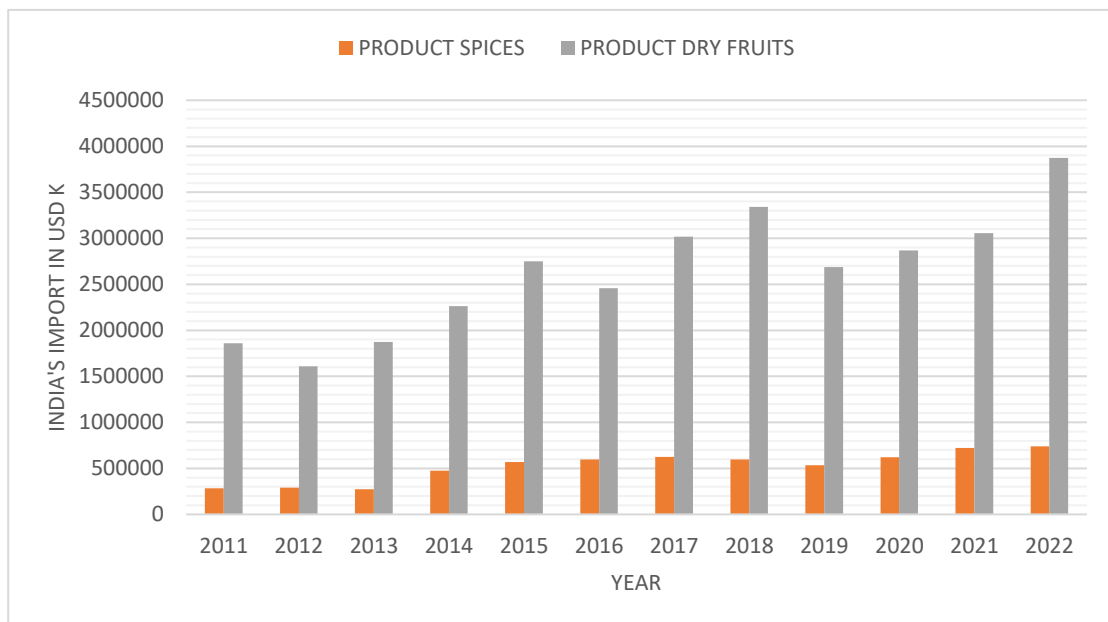
- World Integrated Trade Solution
- International Financial Statistics
- Research Papers

### Statistical Tools Used

Pearson’s correlation coefficient and Multiple regression analysis was used to determine the relationship between two or more independent variables and a dependent variable.

## Result and Discussion

### *India's Imports From The World*



*Fig:1.2 India's Imports from The World*

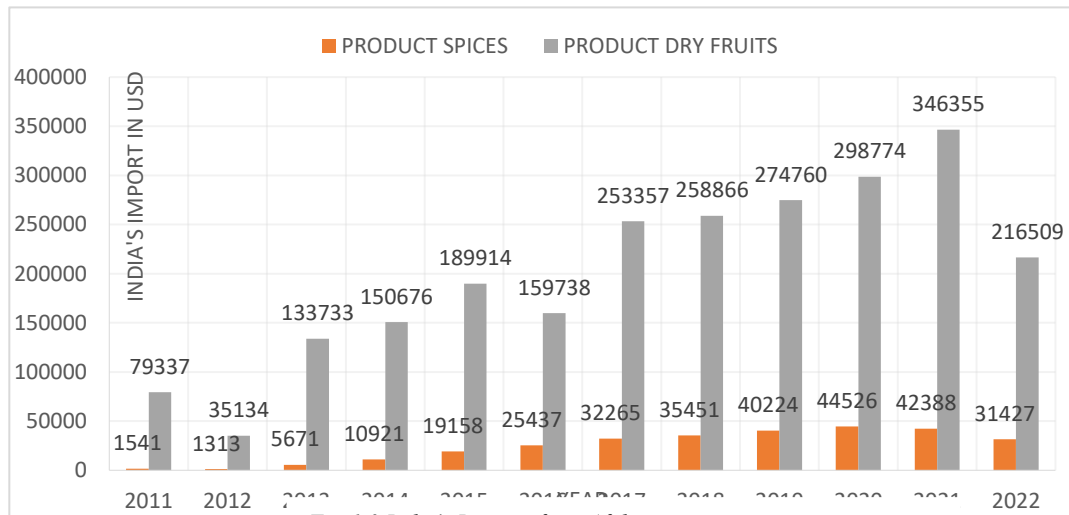
The line graph presented below depicts the trend of India’s imports of dried fruits and spices from all over the world in the period from 2011 to 2022. Indian imports international have increased in a unique and predictable pattern over the last one decade. Most of all, the foreign consumption of spices rose to its highest in 2017 reaching 625,948

US dollars. But the spicy import declined slightly in 2019 by 534958 US dollars of total imports. However, in 2022, a great increase was recorded with an amount of 740036 US dollars which was even higher than the two previous months. There was a considerable improvement in the import of dried fruits in the year 2018 by hitting the highest

figure of \$3,342,596 USD. Overall imports were equal to 2,687,130 USD in the year of 2019 which

is relatively lower as compared to the previous record.

*India's Imports from Afghanistan*

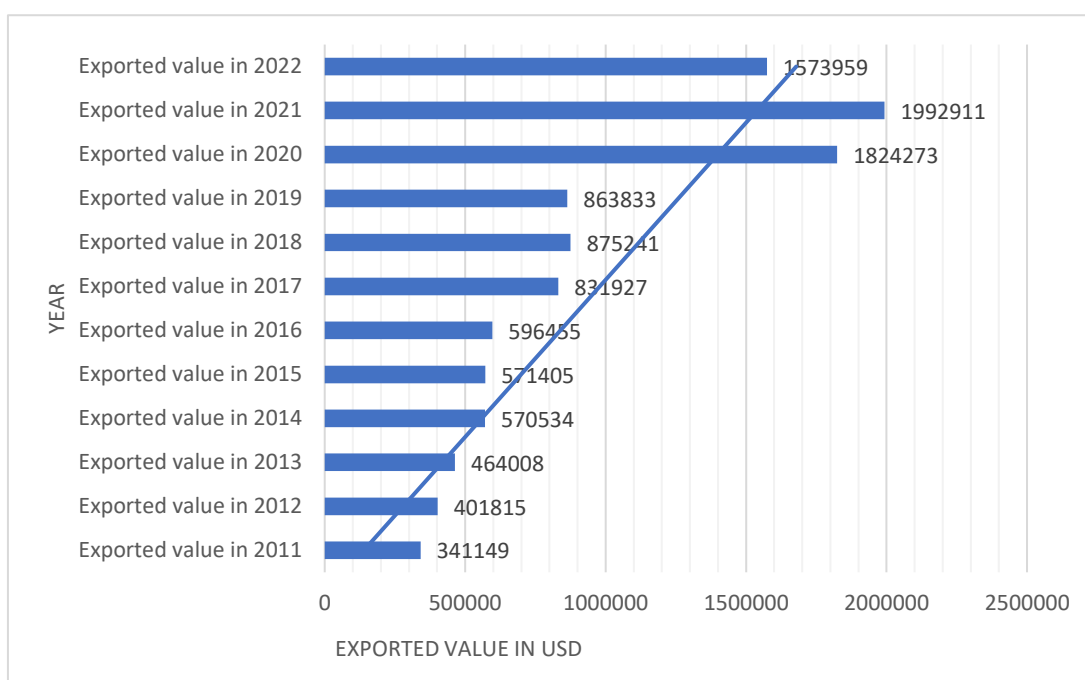


*Fig:1.3 India's Imports from Afghanistan*

The required import graph of dried fruits as well as spices between Afghanistan and India for the years 2011 to 2022 is given below. This shows a clear Case of diminishing import levels as Warad observed the period under consideration. It was also seen that after year 2011, the import of dry fruits and spices from Afghanistan to India have been on the rise consistently. However, the growth rate started from 2017 and touched the highest level known as 44526 dollars import of spices in

2020 and 346355 dollars import of dry fruits in 2021. Nevertheless, the import levels began to reduce beginning the year 2021. Several factors might be attributed to the reduced levels of imports as explained below. Analyzing the data provided in the given graph, it is possible to state that since 2011 up to 2022 India's imports of dried fruits and spices have significantly diminished after reaching the importance level of Afghanistan.

### *Total Exports of all Products From Afghanistan*



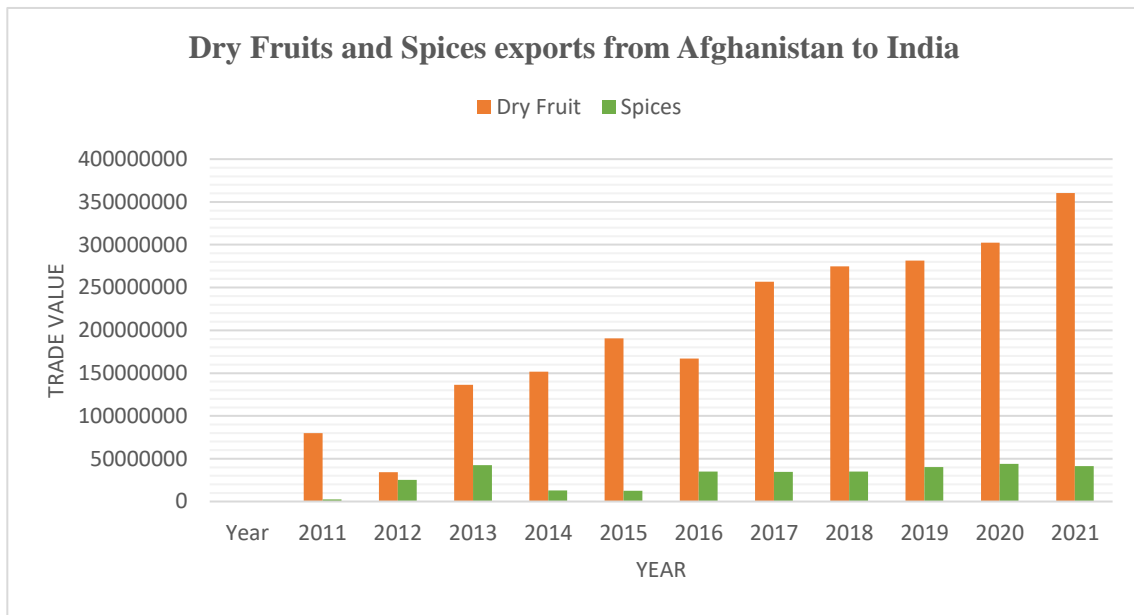
*Fig:1.5 Exports Of All Products From Afghanistan*

A graph of exporting activities of Afghanistan during a decade from 2011-2022 for all the products have been depicted. Such investigation produces several interesting patterns. First and far crucial, the exports from total from Afghanistan are in a steady increase trend up to 2021. One can also identify particular product categories as key players in this export growth process. Of these, the

main export items included dairy products, eggs from birds, natural honey, edible animal products, oil seeds and oleaginous fruits, other grains, seeds, fruits, which captured most of the levels of shares and increased in value in 2011-2017. This proves the fact that Afghanistan agriculture industry has a huge growth competitiveness in the market.



## *Dry Fruits and Spices Exports From Afghanistan to India*

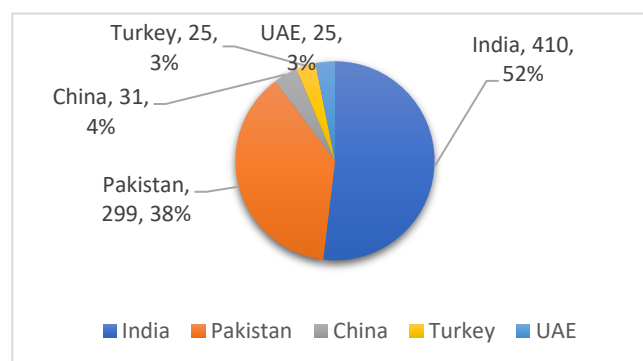


*Fig:1.6 Exports From Afghanistan To India Dry Fruits And Spices*

The graph clearly explains that export of dry fruit has surpassed that of spice. As for the export of some products, exports of dry fruits are on the rise while exports of spices are on the decline and stands at \$41,551,865 million after 2020. Afghanistan’s export to India was \$543 million during 2021 spices, and carpets. Tropical fruits for \$31.8 million, grapes for \$20.5 million and insect

resins \$ 18.8 million. Six million Afghanistan’s main export to India are. This treatise has discovered that in the course of the past 26 years, Afghanistan has been exporting its goods to India with a growth rate of 17 percent. 7%, from \$7. From 89 million of 1995, it has risen to \$543 million in 2021.

### *Afghanistan's Top 5 Export Partners*

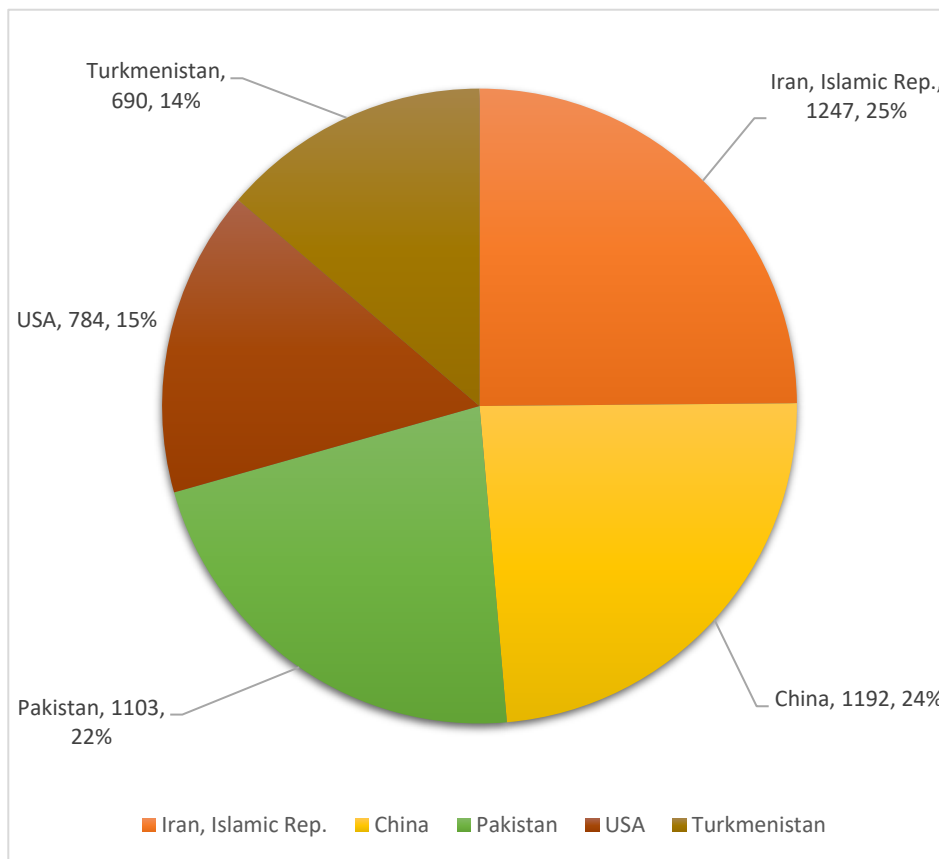


*Fig:1.7 Afghanistan's Top 5 Export Partners*

Five major trading partners are illustrated through trade figures in millions of US dollars and the market shares of China, Turkey, India, Pakistan & the United Arab Emirates. The data makes it very clear that in terms of trade value India is the leader with trade value as high as US\$ 410 million, which is 47 Percent more than the second largest country involved in the trade. 12 Percent of all commerce. This goes further demonstrate the volume of trade that exists between India and the region in

question; the importance of India in the trade. The total trade value of Pakistan is \$299 Million and it ranks Second after India and contributes 34 Percent of the total trade. 31 Percent of all commerce. This means that Pakistan too has appreciable and well-established trading relations, making it also yet another strategic trading partner in the region. China has a smaller proportion of trade.

*Afghanistan's Top Five Importing Countries*



*Fig1.8 Afghanistan's Top 5 Import Partners*

**Table 1: Correlation Matrix: Afghanistan Trade, GDP, and Economic Indicators**

	Afghanistan Export value	GDP Growth Rate Afghanistan	Afghanistan Import value	Domestic Currency per U.S. Dollar	GDP Growth Rate India	Afghanistan Taxes on exports, in % of tax revenue	Afghanistan Export volume
Afghanistan Export value	1						
GDP Growth Rate Afghanistan	-0.173	1					
Afghanistan Import value	-0.187	0.787	1				
Domestic Currency per U.S. Dollar	0.843	-0.331	-0.264	1			
GDP Growth Rate India	-0.136	-0.374	-0.141	0.287	1		
Afghanistan Taxes on exports, in % of tax revenue	-0.064	-0.127	-0.481	0.242	0.512	1	
Afghanistan Export volume	0.991	-0.202	-0.199	0.894	-0.036	0.002	1

The details in Table 1 shows the exporters and the corresponding trade value. The leading exporter country is the Islamic Republic of Iran which contributes to 14% of total trade value that is \$1247 million. 56% of all commerce. Ranking 13 the in the list of global trade partners, the commendable trade value of Australia’s import and export has been \$1,192 million. It takes the second

place, although it accounts for 92% of the world trade. The export contribution on its export merchandise was \$1,103 million or twelve percent of the country total export. Out of percentage of the total, Pakistan stands at third position among exporters 87% of the total. The United States is on the fourth place among exporters and they constitute 9 percent of total exporting. A range of

15 percent of total merchandised trade with a value of 784 million US dollars. Turkmenistan who contributed \$690 million or 8% to the total of CCI

**Afghanistan Export value:** This means there is a direct relationship, inspection reveal it has correlation coefficient of 0. 991 with Afghani export volume which Blog asserts that export volume increases with increase in export value. This is a rather positive association, which can be seen as rather beneficial.

**GDP Growth Rate Afghanistan:** The coefficient of export value is negative (-0. 173); that means greater export value has a tendency to increase when the GDP growth rate of Afghanistan decreases. But what is pertinent to note is that the correlation is not very pronounced.

**Afghanistan Import value:** Afghanistan's export value is closely inversely related to its import value; that is, there is a negative correlation between export value and import value (- 0. 187).

**Domestic Currency per U. S. Dollar:** It means that there is a positive relationship between Afghanistan Export value i. e the more the national currency value increases against dollar the export value of the country will also increase as proved by coefficient 0. 843. This defines a fairly positive correlation.

**GDP Growth Rate India:** It shows that export value of Afghanistan has a weak negativity correlation (-0.136) to India's GDP growth rate, it means that when the GDP growth rate of India decreases the export value of Afghanistan increases.

**Afghanistan Taxes on exports, in percentage of tax revenue:** Their findings indicated that Afghanistan export value has a negative correlation (-0. 064) with export taxes as percent of tax revenue where export taxes have an overall negative ripple effect on the export value in general.

**Afghanistan Export volume:** As has already been affirmed, this has a positive association of 0. 991 with Afghanistan's export value, suggesting that export volume increases export value.

These correlations provide the understanding of the relation of Afghanistan export value with vast economic factors. Though these correlations might be stronger or weaker, positive correlations closer to +1 denote positive or direct correlations whereas negative correlations closer to -1 denote negative or inverse correlation.

### **Key Findings**

The offered dataset gives a detailed opinion into some of the variables of the Afghanistan economy and trade. The export-import details of the country, the level of competition in the market, and the interwoven nature of major factors is also explained. The graphical representation of line graph of period of 10 years depicts that India has shown a trend of import of dried fruits and spices with excellent and consistent increase. This development will afford India more economic linkages and heightened call for these goods. For instance, importation of spices rose significantly in

2017 and 2022 apparently to conform to India's unceasing appetite for these commodities while that of dry fruits also experienced a similar trajectory in 2018 and 2022. While the statistics of import and export between Afghanistan and India depict that the volume of dry fruit and spices which was exported from Afghanistan to India in 2011 has reduced significantly.

### **Recommendation**

In this study, exporting of dried fruits and spices in value and quantity, variations in them in different years from 2011 till now and data and charts, tables, and graphs have been presented to make it easy to understand the study points easily. The following are the important recommendations realized from the study & findings that help the producers and traders of dried fruits and spices:

The following are the important recommendations

- This will enable the Afghan exporters to position their dry fruits and spices to meet the specific needs of the Indian market by conducting an extensive market research on the current demand of these products in India. Focusing on market research would be helpful towards establishing the existence of opportunities for developing niche markets and the identification of target client segments. Besides, trade fairs, exhibitions and marketing campaigns in India to encourage the use of Afghan products will also help in creating consciousness of the quality Afghan products.
- There is a need to create a system of periodic information sharing and market intelligence information exchange between authorities,

realized from the study & findings that help the producers and traders of dried fruits and spices.

- Transportation, warehousing and storage facilities needs support from the Government particularly bearing in mind the perishable nature of fruits. In addition, they noted that the United States Agency for International Development (USAID), the Food and Agriculture Organization (FAO), the World Food Program (WFP) and other similar agencies should expand its coverage and assistance to more number of fruit producers/farmers in different parts of the provinces.

- To increase exports of Afghan dry fruits & spices to India, it is suggested that both countries should sit and negotiate and develop bilateral trade agreements. Lifting of tariffs as well as other trade barriers will help to foster ease of trade activities.

companies, and trade associations of Afghanistan and India. This will assist exporters and importers to develop market analytical abilities by providing information relating to market trends, changes in price and demand and supply forces.

### **Limitations**

- The study covers the year from 2011 to the current year of the most recent data available.
- Consequently this research uses secondary data collected from government and non-government organizations, ministries and international organizations.
- This means that the period within which data will be collected may actually be a constraint to the study. Trade relations and flows can be

characterized by certain changes and fluctuations and some of them might not be identified within the stipulated timeframe.

- In addition, the trade of the two countries depends on several factors including; geo-political events, economic policies and the international trading systems. Some of these external factors may not be well captured in the study and therefore they may be likely to affect the overall results that are obtained.
- Furthermore, the analysis technique used to gather data like multiple regression analysis has certain assumptions or constrains. There is a chance that this outlook may not include the totality of the factors which can affect the trade between the two nations. Therefore, the conclusions derived in the course of this study should be viewed bearing in mind the above mentioned possible limitations.

## **Conclusion**

Thus, agriculture remains to be a crucial sector in the Afghan economy with emphasis on relevant exports including dried fruits, fresh fruits, vegetables, skins and a variety crops. While the fluctuations are rather sharp at times, overall trends that affect the dynamics of the commerce with India, as well as the intensification of exports of dry fruits and spices, seem to have a positive trend. Produce agriculture is the largest part of Afghanistan's exported products which includes fresh and dried fruits, vegetables, skins and other crops etc. It is worth here to note that the export of dry fruits and spices to India has been on an

increase and with a higher growth rate from the year 2017. The import value of spice recorded the highest amount in 2020 at \$44,526 USD and the import value of the dry fruit was recorded the highest in 2021 at \$346,355 USD and then declined. Five important markets are covered by the trade information: India, Pakistan, China, Turkey and the United Arab Emirates. India remains the leading player in this trade environment contributing a humongous 47%. 12, % or 410 million USD. The following is useful in illustrating how active the trading activities between India and the area are. HHI value of 0 and also this reveals that the concentration ratio is high. The result obtained 30 which is calculated show that degree of competition is reasonably competitive.

For businesses and policymakers, several critical implications arise from these findings: For businesses and policymakers, several critical implications arise from these findings:

**Market Expansion Opportunities:** Potentiality involving the hike in dry fruits and spices export to India has revealed growth and advancement. That should prompt Afghan exporters and enterprises on how better they could position themselves and expand their markets for exports to India, for instance by increasing product quality, exploring other markets and promoting market activities that would enable Afghanistan maintain not to mention increase its exports to India.

### **Market Diversification:**

Hence, although India is a large trading partner, it will be beneficial to search for opportunities in

other sectors in additional countries, such as Pakistan, China, Turkey and UAE. Diversification of exports destinations can contribute to the improvement of the firm's resilience in the face of specific industry or market challenges.

#### **Competitive Market Advantage:**

Analyzing the Herfindahl-Hirschman Index (HHI) of Afghanistan, it was found out that the market is rather competitive which is good for the enterprises. Mingling in such a market may encourage customer-oriented strategies, operating costs, and product differentiation.

#### **GDP Growth Sensitivity:**

Export value is significant for economic development, and the evidence for it can be observed by the sharp increase in the constant Afghanistan's export value to GDP growth rate. To enhance export prominence, it is suggested that corporations closely monitor the prevailing economic conditions and ensure that their activities are done in phases that have a high growth rate of GDP.

#### **Currency Management:**

Thus, the value of Afghanistan exports is directly influenced by the fluctuation in value of the national currency against the US dollar. It is suggested that companies operating in international markets should pay special attention to currency risk issue and look for the ways to

reduce the impact of unfavorable currency fluctuations more deeply.

**Currency Management:** This page also shows that fluctuations in the value of the national currency to the US\$ affects export value in Afghanistan. Companies, participating in the international business should pay close attention to currency risk and try to understand how it is possible to minimize the impact of unfavorable currency shift.

#### **Taxation Strategy:**

Since the export taxes are inversely related to export values, policy maker would better bear a fair system of tax. This implies that enterprises should engage policy makers for better and fair tax policies that support growth of exports.

The Afghan exporters need to give particular focus to the quality, standardization and transformation of the products to sustain its competencies in the global market. It could be seen that by putting money into R&D, modern methods of agriculture and quality, the share of Afghan goods in the global market would be able to be increased. Thus, one can conclude that commercial potential and challenges are given by the Afghan trade relations. Thus, the findings of this investigation may help businesses build new market, enhance and diversify Afghanistan's economy, and explore the trade dynamics.

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# COVID-19 Trends and Organizational Response: An HR Technology Perspective

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## Abstract

The spread of COVID-19 has brought considerable perturbations to society, HRM practitioners, and organizations. Organizations were compelled to respond to the challenges posed by the pandemic in a short period of time by rapidly adopting the 'new normal' and probably transforming for survival. The extended longevity and ambivalence of effects in business-imposed considerations that called organizations to adopt different strategies in curbing the adverse impacts of the COVID-19. Organizations have heavily employed technological measures such as AI (artificial intelligence), machine learning and cloud-based platforms to maximize capability and adapt to changing circumstances. Remote work, hybrid working models, and virtual meetings became frequent practices. This research paper will seek to investigate the current emerging trends in HRM, both during and after the times of the COVID-19 pandemic, in two specific areas: (a) evolving HRM trends and (b) how organizations responded with respect to the integration of HR Technology.

**Keywords:** Technology, Human Resource Management (HRM), COVID-19, Adaptation, Transition

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**Introduction:** The Industrial Revolution encompassing social, economic, and stands as a profound transformation technological realms. One significant

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advancement, Industry 4.0, as highlighted by Wang (2016), has ushered in intelligent, adaptive, and resource-efficient factories. With enhanced transparency and interconnectedness, processes can be optimized to elevate both efficiency and flexibility, as noted by Müller (2017). This era has witnessed the emergence of numerous trends and transformative developments, particularly in the realm of smart devices, where cutting-edge technologies such as AI (artificial intelligence), machine learning, automation, robotics and IOT (Internet of Things) have been brought to life.

Business Organizations and human resources are experiencing parallel transformations, driven by the pervasive influence of technology. In virtually all aspects of human resource management (HRM), technology has become a crucial enabler. From planning and hiring to screening, on boarding, learning and development, career management, performance reviews, and payroll, technology plays a vital role in streamlining HR processes.

The outbreak of the COVID-19 pandemic added another layer of complexity to HRM, presenting numerous challenges that organizations had to navigate swiftly to

support their employees during these unprecedented times. These challenges included effectively managing a remote workforce, implementing reskilling initiatives, maintaining employee engagement, promoting employee wellness, and addressing other emerging concerns.

In response to the dynamic and uncertain environment, organizations have had to venture into uncharted territories to devise innovative strategies and solutions, ensuring their employees could adapt to the rapidly changing trends and circumstances. The integration of technology and HRM has proven to be a crucial asset in addressing these challenges, providing the flexibility and agility needed to thrive amidst the uncertainty posed by the pandemic.

The pandemic's swift and disruptive impact has prompted organizations to expedite their digital transformation efforts. Technology emerged as a lifeline during these challenging times, and in response, human resource management (HRM) has taken on the crucial role of guiding employees through this uncertain landscape. The acceleration of this technological shift has the potential to enhance the resilience and adaptability of both

companies and their employees, better preparing them to face future crises.

Accordingly, this paper delves into two key areas: (a) exploring the emerging trends in HRM driven by this rapid digitalization, and (b) examining organizational responses concerning the integration and utilization of HR Technology in the context of this transformative period. By understanding these shifts and responses, organizations can position themselves to navigate uncertainties and opportunities with greater confidence and success in the future.

## **Literature Review**

The reliance of organizations on technology for managing human resources (HRM) has seen a significant increase. Recent estimates suggest that nearly all large organizations have adopted technology to streamline and optimize their HRM processes (Sierra-Cedar, 2015).

The ability to work remotely has garnered significant appreciation from both business leaders and employees, with some evidence indicating that it can lead to increased productivity and job satisfaction (Bloom et al., 2015). With an increase in online workers and the platform-based workforce, reskilling

will be critically required both for employers and employees (World Economic Forum, 2018).

The key enabler technologies like digital platforms, artificial intelligence, robotics, augmented reality and block chain is predicting to redesign the tasks of human resource professionals (Parry & Battista, 2019). Human resource management must proactively support employees' adoption of these cutting-edge technologies, assisting them in organizing their well-being and enhancing their digital skills, particularly considering the array of challenges presented by the recent pandemic crisis (Parry & Battista, 2019).

Technology plays a pivotal role in delivering HR services faster, more cost-effectively, and more efficiently, but it can also bring about unforeseen implications, both transformative and potentially negative (Thite, 2019). Striking the right balance and leveraging technology effectively in HRM can lead to significant benefits while avoiding potential pitfalls.

Among the significant areas of impact for HR, the integration of automation into work processes stands out. Deloitte Global Human Capital Trends Survey (Build 2020) shows

that the use of complex advanced technologies in increasing productivity, value, and usability as an essential element that magnifies the power and relevance of HR in the everyday business operations.

Employers who provide links to web-based courses, or pay for the courses that workers may choose to take, are truly in a double win situation. Caligiuri and others (2020) explain that through enhancing talent capabilities employee motivation and development is promoted.

Flexible work options have emerged from this pandemic influencing the change towards remote work. The growth in remote work is forecast to remain high even in the future, as the Boston Consulting Group says that with remote work, 50% or more of employees can work remotely (Kaufman et al., 2020). In turn, more than a third of the employers have furnished their workers with COVID-19 uncertainty related resources such as mental health podcasts, CDC toolkits, newsletters, and books (SHRM, 2020a).

The emergence of new technologies will also spare the HR function a huge change of characteristics as envisaged by 60 percent of the respondents as stated by KPMG (2020).

In light of these developments, organizations must carefully consider the implications and strategically implement technology in HRM to enhance HR services and achieve overall organizational success in this dynamic and evolving digital era. Providing necessary resources and support for employees' well-being and upskilling will be key to thriving in the ever-changing work environment.

Likewise, most companies continue to implement changes in the hiring process such as substitution of video interviews for most positions including the senior positions and such actions may likely to have happened in future. But the crisis without doubt has accelerated the advance of virtual hiring throughout the world (Maurer, 2020).

The recent crisis associated with the emergence of the Covid-19 virus has also formed complex scenarios for human resource managers. Institutions must endeavor to engage and accommodate the dynamic process presently taking place across the global landscape due to the pandemic as well as how to work with the populace (Carnevale & Hatak, 2020).

Companies are heading towards more change and disruption and therefore require being

ready for this change. According to the author Sheppard, they should implement platform-based technologies, and come up with new business models (2020).

According to the International Labor Organization, full time employment loss for the year 2020 will be 195 million (ILO, 2020). Thus, for employees to be more marketable in the new world of work that is leaning heavily on the digital environment, they have to learn new skills (Sheppard, 2020).

A Microsoft report identified this crisis's biggest lessons as focus areas namely business resilience, employee wellness and customers. Thus, the task today is performed before human resource professionals who have to schedule a meeting, or form an online relationship in an effort to maintain motivation high, and productivity enhanced (Singer et. al, 2020).

Besides, it becomes challenging to monitor and contain activities of the employees since they work remotely. The managers have found some possible remedy in the evaluation of workload and performance in the form of online dashboard and digital data (Narayandas, Hebbar & Liangliang, 2020). Businesses should introduce and embrace

platform-based technology, and then create business models that consider changes and turbulence that may occur in the future (Sheppard, 2020).

Managers schedule online training because they realize the importance of continuous learning and talent management in this line (Narayanda et al., 2020).

New working hours increased since employees from home started coming in early and leaving late because they also take care of other personal issues in the course of the day, found out from Microsoft Workplace Analytics study (Singer et. al, 2020).

In fact, 71% of respondents reported that they appreciated digital tools enhancing social interaction and 63% stated that, when post COVID-19, they would continue to leverage technology more than they do today (2021 Global Marketing Trends, 2020).

### **Objective of the study**

This theoretical study discusses emerging trends in HRM during and after the pandemic. It investigates how various organizations used technology in HR functions during and after the pandemic. *It focuses on (a) emerging HRM trends and (b) organizational responses*

to *HR Technology*. This study aims to highlight a picture of the organizational response to COVID-19 from the perspective of HR technology.

## **Research Methodology**

The research methodology consisted of a various recent study from industry practices and research articles on the pandemic's effect on several aspects of managing human resources.

## **Trends and Organizational Response to COVID-19 from an HR technology context**

A Gartner poll of more than 800 HR professionals reveals that shifts in HR are long-term effects of pandemic-induced workforce and workplace changes. HR professionals must adjust strategies for workforce planning, management, performance, and employee experience accordingly.

Brian Kropp, Vice President at Gartner, highlights the significance of comprehending evolving work dynamics. HR technology proves valuable during the pandemic, supporting functions like payroll, time

tracking, benefits, and talent acquisition. AI, employee self-service, and continuous education tools empower HR professionals to play a more strategic role.

Investing in HR technology trends benefits small businesses, enhancing compliance, time tracking, payroll, and employee data management. Advancements in HR tech enable HR leaders to contribute significantly to strategic objectives in larger organizations. Effective response to HR trends differentiates organizations. Leaders should assess COVID's impact on each trend and align actions with operational and strategic goals.

### **1) Increase in remote working**

#### **Trend:**

As mentioned earlier on, COVID-19 made organizations adopt work from home as a way of operating in the new normal. The recent Gartner survey revealed that 48% of employees are likely to work remotely, at least, partially after COVID-19 compared to only 30% before COVID-19. A company could choose to adopt the 'work from anywhere' policy where workers can work from any site, but always go to any site to gain affiliation whenever they wish. According to Kaufman and colleagues (2020), in the new

world of work working remotely organizations and individuals will have to acquire new knowledge, develop relevant competencies, adapt new ways of sharing work, revising and implementing methods for employee engagement.

**Response:** Organizations have responded to these challenges by revitalizing their portals and utilizing virtual software for meetings, among other things. To help employees set new working patterns, Google created an internal site with recommendations for remote practices including teamwork, team effectiveness, wellbeing, resilience, coding remotely, virtual meetings. During COVID-19, Microsoft created a Guide to Working from Home. This guide was distributed to the entire Microsoft global workforce, and an editable document version was made available to customers for use in their organizations.

## **2) Expanded data collection**

**Trend:** As a result of COVID - 19, organizations have accelerated the frequency with which they monitor their employees, and they use technology to do so. As per Gartner study, 16% of companies have more often monitored their workers with technologies like virtual sign-in/sign-out,

working computer browsing, and emails or internal messaging/chat.

Before the onset of the COVID-19 pandemic, organizations were starting to rely on unconventional methods of tracking the employees. This HR trend, however, will be exacerbated by new remote working surveillance technology and gathering of finer details on the wellbeing of the workers. To promote the effectiveness, efficiency, and ethically sound utilization of learning and performance analytics of employees, the latter must adhere to best practices.

**Response:** Offices, factories, and warehouses had their space usage tracked by IBM with help of Wi-Fi access points, cameras, and other IoT sources. Through the use of IBM Watson Works, managers could easily swap areas and identify areas that should not be utilized when monitoring crowding, social distancing, and mask wearing. At the same time, before coming in, the employee can use self-check and select a desk or a point to work at. It also has brought about the provision of social distance and instigated the cleaning of the room to be ready for the next users.

## **3) Employer as the Key Provider in terms of the Extension for Social Protection.**



**Trend:** The pandemic has seen employers work harder at engaging with their workers not only on the issue of finances but also on health. These include, enhanced sick leave, compensation, change of shift arrangements, and childcare services. Many organizations benefited society by moving to the production of products, rendering their services to contribute to the fight against the pandemic, organizing relief funds, and offering free social services

**Response:** Tata Insights and Quants (iQ) utilizes Artificial Intelligence in Computer Vision. The challenge was ensuring that workers are indeed safe and protected when they entered the factories, including social distance and whether or not they were wearing Personal protection equipment (PPE). The company began using computer vision to determine whether they were wearing jackets, gloves, safety glasses, helmets, and other protective gear. Google Meet's Mental Health Support team – a group of volunteers who received professional training in counseling – is ready to help employees if needed.

#### **4) Adopting Artificial intelligence (AI)**

**Trend:** Because technology has remained the primary driver of change, it is also part of the post-COVID HR trends as well. AI, VR, AR,

cloud platforms, machine learning, and block chain technology will all revolutionize talent acquisition and management system. As a result of Artificial intelligence, recruitment cycle can now be shortened because of a fully automated CV screening to have the better talent pulling out the ability and capacity to forecast future workforce and having better onboarding by doing a virtual office tour.

**Response:** IBM gives employees in sales, human resources, operations, and other department's access to their own engaging AI to help them complete routine and mission-critical tasks more efficiently. This encompasses managing appointments and getting clearances and engaging other business units, and proposal development. New employee onboarding can be a challenge in the normal working environment; thus, new hires at P&G, Visa, Mahindra & Mahindra, Flipkart, and RBS India have therefore replaced physically hosted onboarding programs with more engaging virtual reality-based programs that makes new work from employees feel welcomed.

Industry leaders are designing measures like using artificial intelligence in creating game-like digital orientation like virtual meeting with country directors, buddy system, and access to online learning and training for

employees who cannot access operational physical workspace.

## **5) Prioritizing physical, mental and psychological health and safety**

**Trend:** COVID 19 has made employee health and safety a high priority. Employees experienced mental imbalances as a result of the lockdown, heavy workloads, job loss, increased use of unfamiliar technology, and so on. Consequently, the nature of work and working environment rises and employee health and safety is often on the responsibility of the HR.

**Response:** Some organizations have worked together with healthcare personnel to make sure that employees get help in cases that they are stressed up emotionally. Microsoft continued to pay their hourly workers who assisted. Starbucks began offering additional mental health benefits and therapy sessions to all of its employees and family members in the United States in April 2020.

The virtual assistant at IBM helps employees report their health status and answers questions about the coronavirus and their company's protocols. This now includes a method to validate through the IBM Digital Health Pass which provides a way to check

health status of anyone coming to the workplace. Google monitors health with Fitbit Fitness Trackers and Wearables. This technology is also referred to as health monitoring technology.

To cater off-site employees, Wellness focused webinars and fitness presentations can be conducted via Skype, Zoom, Microsoft teams and then relayed to the employees. Such employees can remain informed about new activities inside the company and other related efforts through social media posts. The reason for sharing this information is the meditation and mindfulness app Headspace makes its "Weathering the Storm" collection of meditations and resources available for free.

## **6) Digital talent-marketplace platforms - Reskilling and Upskilling are the new necessity**

**Trend:** Industry players are currently keen on training workers for new skills or higher levels of skills. Kleinjan & Lim (2018) through the Global CEO Outlook (2019) by KPMG established that forty-four percent of the firms' CEOs intended to skill up more than half of employees in data visualization, coding, big data, analytical thinking, AI, and cyber security.

The World Economic Forum's report "Upskilling for Shared Prosperity" (2021) estimates that widespread upskilling investment could boost GDP by \$6.5 trillion by 2030. The report emphasizes that half of all employees worldwide need to upskill or reskill by 2025 to adapt to automation and new technologies.

LinkedIn Workplace Learning Report 2022 also shows that, 46% of L&D professionals see upskilling and reskilling as a priority, 60% in Asia-Pacific, 44% in Europe, Middle East Africa, and 39% in North America.

**Response:** Companies implement mentorship corporations for personal growth and to ensure clients staffs acquire market worthy traits in leadership, communication, teamwork, critical thinking and logical reasoning among others. Companies Patronize the open universities (MOOCs) namely Coursera and edX where people can enroll for more than 450 online courses from renowned institutions such as Harvard, Cornell, Brown amongst others.

Coursera's CourseMatch, launched in April 2020, and Udemy with over 46 million

learners, including the acquisition of CorpU, facilitate online learning.

Zimyo collaborates with Coursera's Learning Management System to ensure new hires are well-versed in internal products and market offerings.

LinkedIn offers free access to 16 courses on remote working to support users adapting to working from home. Wipro invests in technology infrastructure for enhanced virtual training, e-learning, online assessments, digital labs, and mentorship support.

## 7) Engagement initiatives

**Trend:** Pandemic has eventually affected our social lives as we are now limited to Google meetings, zoom, Microsoft team meetings and such a like. A Deloitte survey stated that raising engagement and sense of organizational membership is a modern challenge in organisations.

**Response:** Some companies started organizing virtual contests on fitness, talent, and comedy. Google has the 'Virtual Coffee Ninja' g2g classes. Googlers teach others how to bake, how to meditate, how to work out (and) how to make crafts. Googler programs include coffee meeting through Hangout to

build connections with someone new in the company.

SAP employees are still active by exploring diverse possibilities to foster communication such as Facebook Live sessions which present various workout routines, virtual fitness, and music performances. Grammarly also provided group digital sessions to help employees who are parents.

## **8) Relationship between talent availability and talent demand**

**Trend:** COVID has also accelerated change from physical dealings that are common with stores to online market. Retail, Hospitality and Service Sector jobs make up 42 percent of vulnerable US jobs; some industries, for example, grocery stores, currently offer two million to three million new employments.

To mitigate the mismatch, companies are accessing prominent digital talent-marketplace platform hubs that form a link between hiring companies and workers who will need upskilling.

McKinsey offered research about the US job market to Talent Exchange which went live on April 6, 2020; the platform already had

600,000 open positions within two weeks of its launch.

**Response:** In the US, Uber has launched Work Hub that connects gig-economy drivers to look for work within the platform or at third parties such as CareGuide, Domino's, and Shipt who are recruiting during the situation.

FMI and Eightfold.ai introduced Talent Exchange, an online marketplace, on April 6, 2020, to aid those who lost jobs due to the Coronavirus crisis. Using AI, Talent Exchange matches candidates with suitable roles based on their skills and experience. Employers can access a dashboard to view workforce impact and quickly onboard new employees.

## **9) Employee personalization**

**Trend:** Employers are offering quite a number of different arrangements to enable the members of their staff from any background or age to do what they want during their working lives. This trend is considered as employers are presenting a big umbrella when it comes to choice of providing specialized benefits like tuition assistance and pet care. These benefits are sometimes combined by employers with custom - tailored online portals. Employees

can use these channels to review their benefits, plan doctor appointments, and effectively manage with any other special requirements.

**Response:** The Digital Fitness app allows PwC employees to assess their digital knowledge and create customized learning plans. Through the app, they receive learning assets to help our people think differently and unlock their innovative creativity at scale. The 'Well-Mind' initiative at Intuit offers its employees with access to an online mindfulness platform. It includes over 1000 self-paced tools and sessions to meet the needs of each individual. Its Employee Assistance Program (EAP) provides one-on-one counselling with trained professionals.

## 10) Workplace flexibility

**Trend:** In the BCG 2020 survey, respondents stated that 60% of knowledge workers should have some flexibility in where and when they work in the future. Some employers provide for 'flextime'. However, other employers just let employees to independently work the hours they have weekly as long as the hours amount to forty.

**Response:** The future is hybrid, and organizations, such as Zoom Video Communications, are implementing relevant technologies to address current issues, such as Video Conferencing - VOIP (Voice over Internet Protocol). They developed Mental Wellness programmes for Zoomies, who work in a hybrid workforce. Lambda School, an online classroom that uses a virtual instructional technology to educate students, who has now implemented a 'work from anywhere' policy permanently. Employees can work in home, office or any other place they prefer.

## 11) Financial backing

**Trend:** Many companies have established financial assistance plans for employees in response to specific situations such as loss of family income, loss of property, fire, condition, and so on.

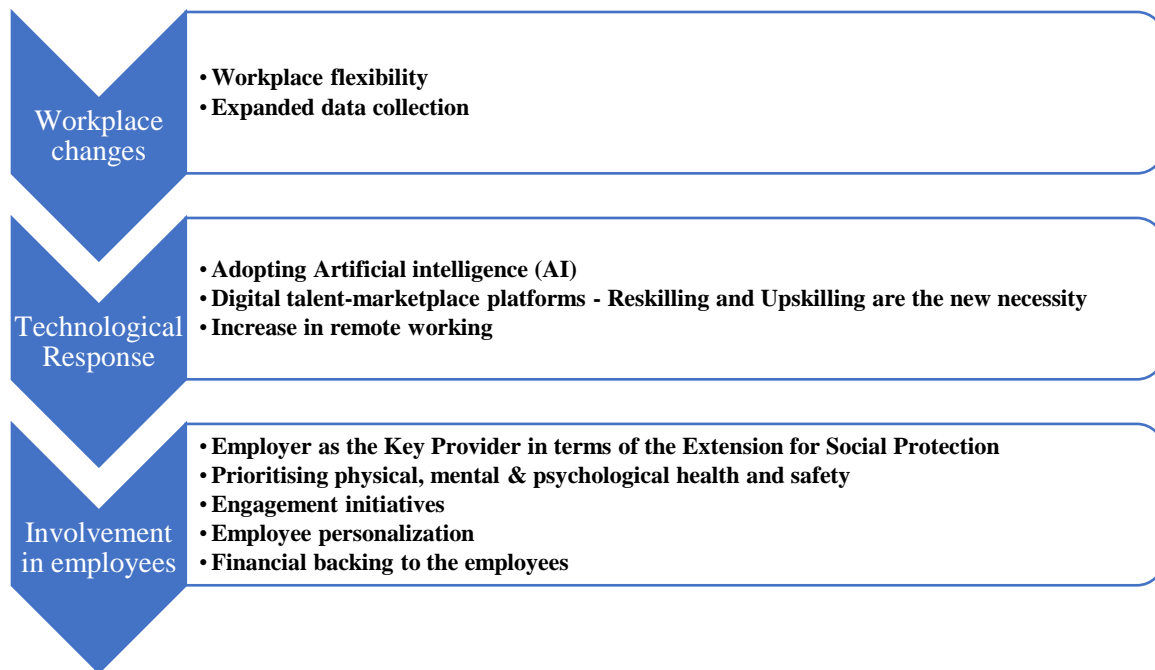
Employers also provide employees with life insurance policies that help them with additional income if their health care insurance limit is exceeded. Others are vaccine reimbursement, bereavement leave, no pay cuts among others.

**Response:** Edwards Life Sciences has begun offering e-grants ranging from \$500 to \$4,000

to employees in all of their locations worldwide via an application, based on any adverse event at the employees' residence. Leading American financial services company Prudential Financial has started a new solution that focuses on delivering financial wellness content, financial tools, and

online as well as face to face programmes to ensure that the employees receive the education they need, to manage their money on the regular basis, protect them in situations when one is faced with a financial catastrophe or to create a strategy to achieve specific financial goals.

**Figure 1: Conceptual framework of Organizational Response to COVID-19 Trends**



## 5. Findings and discussions

In such turbulent times, organizations, human resource professionals, and employees have found it difficult to design and implement new management systems. However, we live in an artificial intelligence-driven world, and surviving without it is difficult. The paper

investigated how various technologies were combined to provide a robust response to trends occurring during and following COVID-19. Several organizational and human resource challenges were discovered during the research. Various approaches to managing the crisis efficiently with the help of digitalization were also evaluated.

**Increase in remote working:** Many organizations were forced to implement remote working due to COVID - 19. Organizations have responded to the rise in remote working by revitalizing their portals and implementing virtual software for meetings, among other things.

**Expanded data collection:** Organizations have increased the frequency with which they monitor their employees as a result of COVID - 19, and they use technology to do so. Organizations were regularly practicing nontraditional employee monitoring methods before the pandemic. Still, new approaches to the remote worker monitoring and data collection on employee health and safety will enhance this HR trend.

**Employer as the Key Provider in terms of the Extension for Social Protection:** Due to the pandemic, employers are trying to be engaged in employees' financial, physical, and mental health. It comprises extra sick leave; financial aid; flexible working hours; and child care facilities. Many organizations benefited the society in light of changing their production for products and rendering services that would enable combating this pandemic, providing relief funds, and offering free social services

**Adopting Artificial intelligence:** Artificial intelligence, virtual reality and augmented reality, cloud-based platforms, machine learning, and block chain technology are becoming influential in the processes of talent acquisition and management.

Some of the strategies that are being undertaken include developing AI based gamified digital induction modules effectively covering virtual organizational induction for example virtual meeting with country heads and assigning buddies to new hires and making available e-learning and e-training for new hires who do not have physical workplace access.

**Prioritizing physical, mental and psychological health and safety:** COVID 19 has prioritized employee health and safety. Some organizations have collaborated up with healthcare providers to ensure such employees can receive help when they are stressed.

**Digital talent-marketplace platforms - Reskilling and Upskilling:** COVID 19 rendered organizations venerable, resulting in mass job losses. To help employees acquire competitive skill sets, organizations have implemented mentorship programmes to encourage self-development. Some of the

learning initiatives include leadership, communication, team management, and problem-solving, logical thinking, and many more.

**Engagement initiatives:** Pandemic has affected us in numerous ways where we are limited to only Google Meet, Zoom, and Microsoft Teams meetings. Some businesses began hosting virtual fitness, talent, and comedy competitions.

**Relationship between talent availability and talent demand:** The pandemic has hastened the shift from traditional brick-and-mortar sales to e-commerce. Recruitment departments are adopting digital sources and Internet talent-marketplace interfaces to fill this gap, hiring organizations that require new employees with workers who will require certain levels of retraining.

**Employee personalization:** There is a vast array of flexibilities given to cater the exclusive needs of the employees that an organization has to face which ranges across the different employee standards and the phases of their career. Employers are now going big by offering specialized options as tuition fee reimbursement and pet insurance. Employers may combine these benefits with custom-tailored online portals.

**Workplace flexibility:** Following the pandemic, most organizations allow for workplace flexibility. Organizations have used a combination of work from home, flextime, and reduced working hours, among other things.

### **Managerial Implications**

The current HR trends research findings will assist HR and organizations in developing various digital competencies that will be useful in the post-pandemic era. During and after COVID-19, the advancement and implementation of various HRM technologies will provide an opportunity to broaden employee and organizational development.

**Embrace Remote Work:** Support and invest in remote work capabilities, enabling seamless communication and collaboration for remote teams.

**Focus on Employee Well-being:** Prioritize employee health and mental well-being, offering wellness programs and flexible work options.

**Leverage AI and Digital Learning:** Invest in AI-powered HR technology and digital learning platforms to streamline processes and upskill employees.

**Enhance Employee Engagement:** Organize virtual engagement initiatives to foster a sense



of belonging and maintain a positive work culture.

**Build Resilience and Agility:** Encourage continuous learning and adaptability to prepare employees for future disruptions and challenges.

### Suggestions

The growth of new leading organization employers with which successful organizations should actively and frequently report on how they advance and engage individuals.

- Create a responsive organizational culture by designing roles and developing skills that increase agility and flexibility.
- Managing cyber security by receiving regular threat reports, incredibly remote work, and training employees to identify these threats.
- Organizations should shift their focus from work-related programs to designing well-being into the work itself.
- Organizations should shift their attention from individual roles to organizational-wide skills to better prepare for unforeseen circumstances. It is thus important, especially for the employees, that potential skills are

fostered that will create possible openings for a number of other opportunities in the organization's career ladder.

- Offer more training support to staff with essential skills gaps who are in important positions for their organizations.

### Conclusion

The changes that are current in organizations due to the pandemic are multifaceted and so are the negative as well as the positive effects. Business and HR organizations have been thrown back by the fast transformations that are coming through and post COVID. Even so, several of them managed to get through the crisis and remain operational because of AI and cloud-based HR technology. In the future, varieties of advanced technology could help make businesses stronger and more capable of facing crises.

Presently, in order to get the intended results, there have been changes in trends by the employees and organizations. Human resource is built by companies because the employees require upgrading their skills and mainly due to risk. Thus, HR management assists greatly by adopting digitized HR solutions and providing skill development of

the employees that meet present positions along with future transformation.

In this regard, internal communication should be considered a priority in order to survive and grow as quickly as possible. Human resource managers introduce new policies within the firm to promote its existence as well as the health of employees physically and mentally. Therefore, to exist and excel in this environment, there is also a need to have team cooperation, synergetic relations as well as trust amongst the members.

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## **Fin-techs and MFI: Fostering Synergies for Deeper Value Proposition – Benefits, Risks and Challenges**

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**and**

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### **Abstract**

The financial industry is experiencing substantial upheavals due to the evolving digital revolution, in response the financial service providers are being obliged to modify. MFIs must take into consideration several technology intercessions for justifiable advances, as these may lead to better a) consumer access, b) lower operating expenses as also present ways to create futuristic products so as to increase technological dimensions both internally as well as by crafting partnerships and coalitions. Likewise, disparities in hi-tech infrastructure and digital literacy levels amongst the target customers does impair the digital divide thus restricting the inclusivity of such efforts. The initiation of Financial Technology (Fintech) enterprises and their collaboration with Microfinance Institutions (MFIs) has vividly brought a change in the financial services ecosystem. The present study aims to explore the contours of this alliances so as to make clear the several advantages, risks, as well as associated challenges that inherently rise with this synergy. Yet, along with these opportunities lie integral perils as also certain challenges. A few are obvious like regulatory compliances, data privacy apprehensions and cyber security fears which present substantial impediments to the efficacious integration of Fintech solutions in the MFI framework. The purpose of this study is to add to the current discussion on the role of Fintech-MFI partnerships in advancing financial inclusion agendas. By delineating the benefits, risks, and difficulties associated with these collaborations, policymakers, practitioners, and researchers can devise strategies to maximize synergies while mitigating potential pitfalls. This research aims to provide insights into the changing role of Fin-techs in the microfinance sector and also examine some of the major obstacles that MFIs face along the value chain, as well as future technical advancements and collaborative opportunities.

**Keywords:** Fintech, Microfinance Institutions (MFIs), Synergies, Risks, Challenges, Digital service providers, Financial inclusion, Digital Finance Provider (DFS).

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## **Introduction**

Microfinance will inevitably undergo digitization and merge with digital financial services. With digital credit as a primary focus, innovators in digital finance are striving to expand DFS products and usage. Given how quickly technology is changing the way financial services are provided, regulators must improve their ability and expertise to stay up to date. With this knowledge, they will be able to create and modify appropriate regulatory and supervisory structures that promote financial inclusion and reduce the risks related to the growth of DFS.

With a sustainable approach driven by different transformations towards digital enablement, partnerships, alliances, and ecosystems as well as legislative improvements, the microfinance business promises to deliver on the financial inclusion agenda. MFIs must evaluate the increasing competition from other MFIs, Fin-techs, and other developing SFBs in addition to other MFIs, and they must deal with industry-specific issues. As a result, MFIs should concentrate on developing safe, tailored solutions for their clients that meet the requirements of scalability and dependability in order to improve product uptake, possible technical interventions, and collaboration opportunities.

Regulators are challenged by the financial sector's digital revolution to foster innovation and direct it toward

neglected or financially excluded groups while safeguarding the financial system and its customers, both clients and providers can gain from digitization, but there are risks and difficulties involved as well. To advance, microfinance providers need to possess the requisite operational, technological, and financial capabilities.

Fitch mergers are clearly influencing the direction of financial services, despite their many facets. Agarwal et al., 2022, Beck et al., 2023 emphasize the potential of Fitch-MFI partnerships to broaden financial access for underserved populations. Fitch solutions can address geographical limitations through mobile banking platforms and facilitate efficient loan application processes.

These mergers mark significant turning points in the industry's history as it battles shifting consumer tastes, complex regulations, and technology advancements. Every alliance and merger are a step toward a future that is more efficient, more interconnected, and more sensitive to the demands of the global customer. The industry is being led towards a positive and inventive future by a harmonious combination of technology and finance, rather than by either one alone.

## **Review of Literature**

Feyen et al. (2021) define FinTechs as “digital technologies that have the potential to transform the provision of

financial services spurring the development of new—or modify existing—business models, applications, processes, and products”. Fin Techs are defined by Gimpel et al. (2018) as companies that innovate financial services through the use of technologies such as the Internet, mobile computing, and data analytics; Lee and Shin (2018) claim that FinTechs have low operating costs, which allows them to provide their customers with customized financial solutions; Lu (2018) claims that FinTechs provide cost-effective financial solutions because they are lean companies with low asset bases and low operating costs; Lee and Teo (2015) contend that FinTechs with low profit margins, low asset bases, innovative products, and scalable operations have a higher chance of being successful; Grant and Deer (2019) and Koenitzer et al. (2016) emphasize the significance of a robust underwriting model to guarantee low default rates.

Khan et al., 2021 and Chen et al., 2022 highlights how MFI partnerships with Fitch companies can streamline internal operations.

Huang et al., 2021 and Waibel et al., 2023 put forth as to how integration can promote offering innovative solutions like micro-insurance or digital credit scoring, alliance aids MFIs to use Fintech expertise in developing better financial products and services customised to target clientele.

Nguyen, 2022 and Akkaya et al., 2023 points out that the developing regulatory environment is again a trial. The incumbent regulatory mechanisms may not be entirely adapted in addressing the several complexities of Fintech-MFI collaborations thus somehow restricting innovation and also generating compliance issues.

Sarma et al., 2021 and Mitra, 2022 stress the serious concern of data privacy. The sharing of customer information amongst MFIs and Fintech partners absolutely imposes measures for strong data security and distinct guidelines in order to remove any potential breaches and privacy abuse.

Xu et al., 2021 and Jayaraman et al., 2024 underline the sensitive cybersecurity hazards which are aligned to digital financial services. MFI systems combined with Fintech are prone to cyberattacks, necessitating strong security protocols and response strategies.

#### **Objectives:**

- Analyse the probable benefits of Fintech-MFI partnerships so as to accomplish a better value proposition in terms of financial inclusion.
- Appraise the hazards as well as challenges linked to the Fintech-MFI collaboration and suggest strategies to alleviate the same.

#### **Digitizing Existing Microfinance Operations and Offerings**

A sweeping revision in regulatory mechanism is necessary in the light of developing scenario of microfinance which is now being increasingly driven by technological improvements as well as the rise of new competitors. The extensive implementation and use of internet as also smartphones have led to the swift digitization of financial services. The rapid increase in internet and smartphone usage has hastened the digitization drive for financial services providers. In response to the ever-increasing client expectations in terms of ease and availability, the traditional microfinance providers have started to explore avenues to digitize operations as well as assets. In so far as recognizing the necessity of digitization, various MFIs have started to focus on updating prevailing processes, products as also their services, rather than entirely adopting a digital transformation. Many have set up digital teams dedicated to the same as also full integration of digital strategies regarding their existing business models. This approach falls short of true digital transformation,

which would involve creating entirely new digital products and services, establishing dedicated teams focused solely on digital initiatives, and fundamentally viewing digitalization as a complete overhaul of their business operations.

The process of digitizing current services can be challenging, particularly if they lack the necessary technological competence and DFS experience. But working together with a digital finance provider can offer a simple fix. It is imperative that micro finance providers possess the requisite operational, technical, and financial capabilities to progress, given that "digital finance has the potential to pose an existential threat if not managed effectively. MFPs are often not in the best position to negotiate with larger players, such as MNOs, to create a win-win partnership.

**Table 1: Evaluating Digital Transformation in Microfinance: Benefits, Challenges, and Risks**

BENEFITS	CHALLENGES	RISKS
a) Superior outreach and portfolio diversification b) Integrating data submissions with credit reference bureaus presents a key aspect of digitizing existing products and services for microfinance providers.	<b>External challenges:</b> a) Regulatory constraints and unclear guidelines hinder the adoption of cloud services. b) The local technology market faces inflated costs for hardware, limiting competitiveness. c) Inadequate infrastructure, including unreliable electricity and connectivity, poses significant challenges. d) Low levels of digital and	<b>Operational risks:</b> a) Assimilating data from mobile devices to core banking systems may face delays, alongside concerns about device theft, vandalism, or loss. b) Business continuity hinges on mitigating the risk of data loss. c) Ensuring robust data security is crucial, with the threat of hacking

<p>c) Empowers APIs for others to have MFI client data and for MFI to associate with other institutions.</p> <p>d) Upgraded risk management &amp; compliance accomplished through analytics, transaction monitoring, and comprehensive risk data aggregation.</p>	<p>financial literacy necessitate consumer education to foster trust.</p> <p>e) Ensuring business continuity is paramount.</p> <p>f) Meeting data safety, security, and protection requirements is critical.</p> <p>g) Limited availability of affordable and suitable technology providers remains a concern.</p>	<p>and breaches.</p> <p>d) Addressing risks related to agent non-compliance or abuse is essential for maintaining trust in the microfinance system.</p>
<p><b>Operational efficiencies/Reduced cost per transaction:</b></p> <p>a) Reduced expenses in loan origination and decision-making.</p> <p>b) Updated/automated reporting to regulators, Improved loan recovery/reduced PAR via SMS alerts</p> <p>c) Decreased risk of fraud and loss associated with cash handling.</p> <p>d) Enhanced internal controls and governance.</p> <p>e) Improved customer service and experience through quicker, appropriate, and personalized interactions.</p>	<p><b>Internal challenges:</b></p> <p>a) Inexperienced staff deficient in essential skills</p> <p>b) Data movement from documents or obsolete systems</p> <p>c) Want of direction in guidance</p> <p>d) Managing change across all levels of the organization, including learning to use new technology.</p> <p>e) Enhancing operational agility by restructuring processes to enable complete digitization.</p> <p>f) Limited budget, resulting in the absence of funds for staff training and continuous support.</p>	<p><b>Consumer Protection risks:</b></p> <p>a) Transparency and competence of paperless disclosure</p> <p>b) Increased advancing facilitated by quicker and more accessible origination processes, potentially resulting in over-indebtedness and unsuitability.</p> <p>c) Enhanced data privacy and security risks due to simplified selling and transfer of digitalized data.</p> <p>d) Insufficient customer assistance due to ineffective employee or representatives.</p> <p><b>Strategy risk</b> includes growth deprived of suitable scheduling and capital base.</p>

**Digital Finance Reaches MF and contributes to Financial Inclusion**

Digital Financial Services (DFS) have significantly transformed the financial landscape, fostering broader access to financial accounts and a wider range of services. Over the past decade, DFS has evolved beyond basic functionalities like bill payments and money transfers. It now

encompasses merchant payments, bulk payouts, credit, savings products, insurance, and even innovative services like crowd funding, savings groups etc

In the Indian context, leveraging agent networks and mobile phones for delivering digital banking has demonstrably reduced the cost of financial services for the general



public. This cost reduction has paved the way for financial technology institutions (FinTechs) to enter the market. Driven by the goals of increasing brand loyalty, diversifying revenue streams, and expanding their customer base, a thorough breakdown of the financial services value chain is

essential to guaranteeing inclusive digital finance. This would involve collaboration through partnerships, where banks, non-bank institutions to leverage their specialized strengths to deliver a wider range of financial services effectively.

**Table 2: Digital Finance-Benefits, Challenges and Risks**

BENEFITS	CHALLENGES	RISKS
<p>Customer perspective:</p> <ul style="list-style-type: none"> <li>a) Soaring adoption of bank accounts and e-wallets</li> <li>b) Product modification and VAS also better privacy, swiftness, ease.</li> <li>c) Availability of investment to MSMEs through merchant funding, crowd funding etc</li> <li>d) Representative networks: Double both as MSME commercial prospect as well as convenient access points for broader financial service reach.</li> </ul>	<ul style="list-style-type: none"> <li>a) Digital infrastructure gaps: Inadequate security, unstable systems, and poor telecommunication services, especially in remote areas.</li> <li>b) Agent network hurdles: Challenges in training, maintaining liquidity, managing turnover, and ensuring compliance, mainly in far off areas.</li> <li>c) Inadequate last-mile dissemination</li> <li>d) Interoperability roadblocks: Technical complications in enabling seamless communication and data exchange between different financial service providers.</li> <li>e) Product-market misalignment: Lack of research on customer needs leading to products that don't resonate with the target audience.</li> <li>f) Consumer vulnerability: Weak protection mechanisms leaving users susceptible to exploitation.</li> <li>g) Low financial literacy: Limited financial knowledge hindering informed decision-making among the underserved.</li> <li>h) Inadequate capacity to create new credit scoring analytics and modify financial products according to usage of diverse client segments.</li> <li>i) Data Siloing: Restriction of data sharing as regards</li> </ul>	<ul style="list-style-type: none"> <li>a) Digital Divide: Omission of certain citizens due to illiteracy, lack of mobile phone access or limited digital literacy.</li> <li>b) Algorithmic Bias: The credit scoring algorithm can exclude certain groups of citizens due to bias in data.</li> <li>c) Crowdfunding risks- Financial losses due to borrowers of high risk (defaulters).</li> <li>d) Financial integrity: AML/CFT submission or faulty customer evaluation.</li> <li>e) Failure in control and management of evolving digital finance business</li> <li>f) Incapacity in accommodating competitor in the current mechanism.</li> </ul>

	providers leading to lack of innovation	
<p>For Providers:</p> <p>a) Incremental revenue streams: Innovative business enterprises to generate more income.</p> <p>b) Innovative product offerings: The creation of novel financial products, such as joint credit-insurance.</p> <p>c) Broadened partnerships: Increased participation of diverse providers (banks, mobile network operators, Fitch companies) opens doors for lucrative collaborations.</p>		<p>Consumer risks:</p> <p>d) inability to procure funds in time of system outages</p> <p>e) Loss of cash kept by providers not subject to prudential regulation</p> <p>f) Inadequate product information with respect to terms &amp; conditions etc</p> <p>g) Unethical methods Predatory marketing issues.</p> <p>h) Lack of discretion hacking, data theft etc</p> <p>i) Erroneous transactions caused by lack of digital financial literacy</p> <p>a) Susceptibility to illegal scams</p> <p>b) Inadequate mediator liquidity and fraud</p>

**Evolving collaborations and synergies amongst DFS and Microfinance providers**

Collaborations between digital and microfinance companies are creating new avenues for financial inclusion by providing more specialized products in more effective ways. Regulators must actively seek to understand this dynamic environment and equip themselves with appropriate oversight and supervisory tools. The priority of this

collective effort should be to enhance consumer protection in areas of KYC procedures, credit risk supervision, ensuring data privacy, promoting innovation, safeguarding proper reporting as well as executing financial education. The digital divide can be removed only through sustained programs so as to boost regular service usage, as also security measures, appropriate access, and genuine consumer protection.

**Table 3: Digital Finance and Microfinance Collaboration - Benefits, Challenges and Risks**

BENEFITS	CHALLENGES	RISKS
<p>a) <b>Boosts Inclusivity:</b> Expands access to financial services for underserved populations.</p> <p>b) <b>Streamlines Services:</b> Faster, cheaper, and more efficient service delivery.</p> <p>c) <b>Product Innovation:</b> Offers innovative and appropriate financial products and services.</p> <p>d) <b>Credit Scoring Options:</b> Enables alternative methods for credit assessment.</p> <p>e) <b>Data-powered Approach:</b> Enables data-driven marketing, operations, and risk management.</p> <p>f) <b>Behavioral Nudges:</b> Ability to influence customer behaviour through design and product features.</p> <p>g) <b>Enhanced Competition:</b> Increased competition fosters innovation and potentially lower costs.</p>	<p>a) <b>Regulatory Complexity:</b> Multiple regulators with overlapping jurisdictions and potential gaps (unregulated institutions).</p> <p>b) <b>Standardization Issues:</b> Inconsistent standards for features, disclosures, and data protection across the ecosystem.</p> <p>c) <b>Limited Interoperability:</b> Lack of compatibility between different platforms hinders market reach.</p> <p>d) <b>Integration Hurdles:</b> Procedural challenges in assimilating often less competent MFI systems with other platforms.</p> <p>e) <b>Lack of Human Interaction:</b> Lessening of human interface leads to reduced consumer conviction and assurance</p> <p>f) <b>Digital Divide:</b> the digital excluded populace will have to put in effort in learning new digital interface.</p>	<p>a) <b>Regulatory arbitrage risk:</b> Compliance risk due to obscure boundaries of accountability between cooperating establishments in relation to:</p> <ul style="list-style-type: none"> <li>• Consumer safeguards</li> <li>• AML/CFT protection</li> <li>• Data safety and protection</li> </ul> <p>b) <b>Elevated Functioning Risks:</b> This encompasses cybersecurity threats, managing dependencies on third-party providers, and potential legal issues arising from digital operations.</p> <hr/> <p><b>Micro-level risks:</b></p> <ul style="list-style-type: none"> <li>• Credit risk</li> <li>• Leverage ratios</li> <li>• Liquidity risk</li> <li>• Maturity mismatch</li> </ul> <p><b>Macro-level risks:</b></p> <ul style="list-style-type: none"> <li>• Untenable Lending: Contagion risk arising caused by complex level of interconnectedness</li> <li>• Moral Hazard</li> </ul>

**Mechanism to improve Microfinance and Digital Finance Association**

First would be to fill any gaps or inconsistencies both in policy and regulations through coordination amongst the pertinent regulators: The various stakeholders and regulatory institutions, like central banks, financial supervisors, etc, should chalk out distinct and steady guidelines. These should answer any

concerns regarding prevailing gaps, irregularities, and likely conflicts within the contemporary framework. Collaboration between telecommunication agencies and financial regulators, for instance, ensures comprehensive supervision across the digital financial landscape. The regulatory mechanism should be frequently updated with a view to the ongoing partnership amongst the erstwhile institutions and ground-breaking new entrants which are

creating innovative business models and service offerings, through the implementation of these measures, a concerted regulatory ecosystem can be put in place. This will lead to accountable innovation, promoting financial inclusion, and creation of equality for all contributors within the digital finance and microfinance space.

### **Ensure credit information is shared**

It is critical that all the lenders should be mandatorily a participant so as to solve the issue regarding usage of credit information sharing as regards financial inclusion, A comprehensive approach like this leads to accountable borrowing through accurate creditworthiness assessments which reduces defaults, moreover, the inclusion of positive credit data, apart from the defaults in repayment provides a better idea of any borrower's financial past. Also, in case of low-income borrowers such a practice helps a lot by the incorporation of digital credit information within the credit reporting systems, this way of creating a credit history within the formal sector helps them to have partake larger loans as well as enhanced financial products, thus empowering them financially.

### **Risk-based strategies to trade-off opportunities and risks.**

To create a trade-off between financial inclusivity and the safeguard of financial steadiness and consumer protection is of prime concern, thus the regulations should judge the potential benefits as well as prevent additional risks .Implementing rationally to guidelines in sections such as Anti-Money Laundering, agent oversight,

data security/protection, accountable big data use, and consumer protection allows innovative models and services to flourish within the Digital Financial Services (DFS) landscape. Data security requirements should be independent of the specific technology used and prioritize managing operational vulnerabilities and cyber threats, which can be amplified in multi-institutional partnerships.

### **Robust but proportional consumer protection**

Consumer protection measures are essential to safeguard vulnerable populations, especially those who are latest entrants in the regulated financial services as well as those with lesser financial literacy. Clear, concise, and standardized disclosure of terms, fees, and commissions in a way that is easily understood by individuals with varying levels of financial literacy. Establishment of readily available and efficient complaint and dispute resolution mechanisms. Elimination of discriminatory practices, promoting equal access to financial services regardless of background or socioeconomic status. Implementation of procedures to address financial losses stemming from unauthorized or mistaken transactions.

### **Conclusion**

The ongoing digitalization of microfinance will continue unabated. More of new improved digital solutions, specifically dedicated to digital credit, have increased and so the need for a responsive regulatory environment becomes paramount. It is incumbent on regulators to adopt the latest developments in emerging technology as

also to build capacity so as to make balanced regulations as well as the necessary supervisory mechanism. To create a fine balance in promotion of financial inclusion and concurrently reducing the inherent perils concerning fintech growth is critical. The regulators can create a way through effective answers to these issues, wherein the digital finance and microfinance operate in equity so as to empower entities and accomplish extensive financial inclusion.

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12. <https://www.youtube.com/watch?v=esouEaNQE24GPFI> recommends that these frameworks should address “the relevant risks from market, provider and consumer perspectives; provide clear market participation rules; establish a fair, and open, level playing field for market participants” and make adequate provisions for supervision.

# Exploring the Nexus of Psychological Well-Being and Retention Among Indian IT Professionals

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And

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Abstract

This paper examines the link between attrition rates of IT professionals working in India with psychological well-being. Attrition is a phenomenon that has gained wide notoriety in the IT sector, particularly in India and is a cause of worry for both the organizations and the employees involved. However, very little work has been done in this space for the Indian context. Knowing why so many employees leave creates companies a very useful and timely insight to design better retention plans. A general well-being that includes both emotional health and overall health and social relationships slows down the rate of termination. An assessment of psychological well-being, job satisfaction, work life balance, perceived organizational support, and intention to leave is done with IT professionals in India. With these findings, organizations would be in a position to identify areas of influence over retention and develop means to enhance well-being and minimize attrition. Such findings may also be helpful to HR practitioners who might be able to redesign practices promoting the well-being of employees and sustainability within organizations.

**Keywords:** Psychological well-being, Work-life balance, perceived organizational support, Intention to leave.

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## **Introduction**

The industry at large has been playing a significant role in contributing to the GDP of the country registering buoyancy in its growth trajectory. Problems relating to manpower shortages and problems of talent, retention, career aspirations and attrition of the expatriate employee also prevail. The pandemic due to COVID-19 has exceptionally thrown up the opportunity for the IT service organizations to break the mould of limiting which has been their modus operandi. Industry has researched nonlinear growth strategies in an effort to close the funding talent gap bottleneck. (Dutta et al, 2021; Kumar, 2020; NASSCOM, 2020). Employee retention is the most important in every organization since most of them are seeking enlightenment on how to do it yet hardly any studies exist that focused on Indian IT context. Hopefully, the findings of the study will point to valuable information about the interrelation concerning psychological well-being and attrition on Indian IT professionals for developing retention strategies. Surveys coupled with various statistical techniques are used in order to simplistically survey job attitudes, work-life integration, and mental health conditions in relation to pinpointing factors motivating people to quit their IT jobs in India. (Sandhya & Sulphrey, 2019); Srivastava & Yadav, (2019); Pradhan & Mishra (2018), Mohan & Goyal (2017).

## **Literature Review**

The paper offers a dimensional model of well-being dimensions: self-acceptance,

positive relations with others, autonomy, environmental mastery (control), purpose in life, and personal growth which is supported by empirical evidence as well as epidemiological data about the distribution across stages of the lifespan and sociodemographic variables leading to the conclusion that psychotherapy should focus on improvement of positive functioning to enhance quality of life aside from improving ill being or symptom reduction in case the focus is on negative functioning Ryff et al. (1996) Helen Russell et al. (2007) found that Employment and the Quality of Work reports reinforced employment trends, leading to a more exposed Irish labor market with higher female participation, lower unemployment, and more high-skilled professions. Nonetheless, there is still no proof of notable shifts or deteriorations in the evolution of employment quality. Rather, new patterns continue to endure, posing difficulties for vulnerable populations. Disparities still exist even as the excitement around lower-skilled service professions has subsided due to improvements in work-level employment.

It has been found that increasing the psychological capital of people through specific interventions related to components of self-efficacy, optimism and hope, and parts of resilience improves the level of well-being of employees and job satisfaction at levels commensurate with improving

performance over time. This work may suggest that organizations would want to invest in these kinds of training programs for better occupational health outcomes and that future research could also examine potential long-term effects as well as other predictors of psychological well-being Avey et al. 2010.

Results by Hansika et al. (2018), are interpreted to suggest that predicts Subjective Well-Being (SWB) as well Career Commitment (CC), although a part of this relationship through mediation is shown by Self-Concept at Work (SCW), for the Indian manufacturing cadre. Hope, Efficacy, Resilience and Optimism to Life Satisfaction and Positive and Negative Affect in Three hundred adults: Sensation seeking as mediator.

The current work discusses how remote working and occupational stress, which crossed with people's happiness and well-being boundaries during the COVID-19 pandemic, far and near influence workers in the IT industry, and it demonstrated that things such as the quality of their relationships with their co-workers, clarity of job roles, whether the climate of the whole organization is friendly, and their satisfaction with job have been most influencing factors on their psychological health. It also made them realize that the sole gender-based and age-related appropriate

remedies like centralizing the telecommuting wherever possible may reduce the potential stress and psychological well-being of an employee Prasad et al. (2020).

### **Factors influencing attrition among IT professionals**

Explored how organizational level factors such as job satisfaction, organizational commitment, work stress, work environment, and realistic job information shape the intention to quit of employees. The study was aimed at finding an explanation for why people leave a job while also opening up the complex interaction between organization dynamics Employee choices to stay or leave. Their work enhanced the understanding of employee turnover and paved the way for further research in organizational complexities Mishra & Mishra (2013).

Darwin's law of survival points out that, in this highly competitive service industry, most organizations realize that a 'highly contented' employee sometimes merely means a dedicated employee and a performer. The research focused on recent cases in the it industry. Every year, this industry faces the maximum rate of employee turnover (Banerjee & Ghosh, 2017). Darwin's survival law deduces that in the highly competitive service industry, 'highly contented' does not always mean an employee is dedicated or a high performer. This research article has been based on recent IT industry cases with large annual



turnover rates (Banerjee & Ghosh, 2017). IT professionals are usually characterized by a great commitment towards their profession, and such commitment is promoted by the employers. However, despite such commitment, they are still exposed to turnover rates that surpass that of professionals in other sectors. According to Mufitha et al. (2019), this profession commitment paradoxically might be a contributor to factors influencing turnover among IT professionals.

#### **Job Dissatisfaction:**

Job dissatisfaction may lead to counterproductive reactions, and thus it would be in the interest of managers and owners to solve the problem. Job satisfaction and job dissatisfaction are psychological states that have great consequences on organizational performance. For example, the decisions taken by satisfied employees have a great impact on the organization. The theory does not mention the circumstances under which the dissatisfied employees will make those decisions, though there is a great deal of research into the actual action the dissatisfied employees are likely to take (Locke 1984).

#### **Compensation and Benefits:**

In the competitive IT environment, competitive compensation and benefits packages have to be necessary for retaining

employees (Mwasaru et al., 2015). If these are not met, employee turnover may result from burnout and stress due to an unsustainable work-life balance. Compensation practices underpin philosophies and strategies attempting to offer proper compensation in pay, benefits, and any other form of compensation. This includes structures that guarantee to pay higher for better performance (Pearce 2010).

#### **Work-Life Balance:**

Work-Life balance is the capacity of an individual to meet work and family obligations and other non-work responsibilities and activities. Work-life balance and the relationship between work and family functions involve the assumption of further roles across the various areas of life. The notion of work-life balance has been selected in this research as it has more generalized linkages. Work-life balance has been defined differently by different academics. We shall present some definitions to broaden our perspectives. Greenhaus, 2002. According to Felstead et al. (2002), work-life balance is the relationship between the institutional and cultural times and spaces of work and non-work in societies where income is primarily generated and distributed through labor markets.

#### **Managerial Effectiveness:**

This study uses secondary data to identify key competencies and their impact on

organizational outcomes. Similarly, Chauhan (2010) found strong links between managerial effectiveness and organizational climate dimensions like achievement and affiliation dominance, while Boyatzis (1982) and Yukl (2013) further emphasized competencies like emotional intelligence and adaptive leadership as essential for managerial success. These findings highlight the importance of managerial competencies in creating effective organizational environments and achieving strategic goals, providing a solid foundation for future research and practice. Msizi (2010) highlighted teamwork and self-management as critical skills for managers in diversity management, while trainees emphasized communication and teamwork.

### **Job Security:**

Job security, a key aspect of the employment relationship, has undergone significant changes over the years. According to Reich et al. (1997), the decline in job security has particularly impacted white-collar workers, leading to heightened fears of job loss. While the extent of rising job-loss anxiety has been debated in the literature, evidence supports its realism. For example, Neumark et al. (2000) observed an increase in involuntary job loss and a slight decline in job stability during the late 1980s and early 1990s.

Interestingly, despite facing a less severe economic downturn, workers in the 1990s expressed greater concern about job security compared to their counterparts in the late 1980s (Reich et al., 1997). This suggests that broader shifts in the employment landscape and changing perceptions of stability have amplified workers' anxieties about retaining their jobs, reflecting the evolving nature of job security in modern labor markets.

**Employee Engagement:** This refers to the involvement of individuals with their jobs, which includes physical, cognitive, and emotional aspects (Kahn, 1990). It can also be termed as a combination of emotional and intellectual commitment towards the organization or discretionary effort in work activities at the workplace (Baumruk, 2004; Richman, 2006; Shaw, 2005; Frank et al., 2004). Job involvement and 'flow' are highly related to engagement (May et al., 2004; Csikszentmihalyi, 1990), 'identifying' with work at the cognitive level (Kanungo, 1982) as Kahn (1990), disengagement is characterized by removal from the role, resulting in withdrawal and defensive behaviors (May et al., 2004). It also forms an antithesis of burnout, that is a job engagement loss condition (Maslach et al., 2001).

**Objectives of the Study:** The purpose of this research is to investigate the

Psychological Well-being and Attrition in the information technology sector of India:

- Understand the concept of psychological well-being.
- Explore the attrition rates and intentions to leave among IT professionals.

- Identify factors influencing attrition within the IT sector in India.

**Research Methodology:**

This paper uses literature to investigate research variables and fill research gaps.

**Table 1: Summary of studies on psychological well-being of the IT sector globally**

Country	Studies on Psychological well-being
USA	According to O'Driscoll (2010) and Lo (1987), the rapidly growing IT industry in the United States has increased stress, burnout, and issues with work-life balance among IT workers. As Anand (2012) points out, this development has been accompanied by increased worries about job security and the growing danger of automation. Organizations must proactively address these ever-increasing issues by putting counselling services and stress management programs in place and pushing for flexible work schedules, as Arnetz (1997) recommended. In addition to addressing present concerns, recognizing and appreciating IT workers' psychological health is vital to the industry's long-term viability and development.
China	Bertotti (2017) notes that the fast rise of China's IT sector poses severe difficulties to worker well-being, including stress, burnout, and work-life balance issues. Technological improvements exacerbate these issues by increasing job instability among workers. Stamp (1991) calls for thoroughly analyzing these difficulties and competence development activities. Similarly, Huo (2017) emphasizes the need for appropriate training programs, strong top management support, and equal reward systems to address these concerns effectively. Corporate culture emerges as an essential factor in promoting well-being, with Jiandong (2010) highlighting democratic cultures as especially beneficial to employee welfare. Recognizing the importance of employee well-being for organizational success, Kowalski (2017) emphasizes the critical role of HR professionals in improving well-being to drive performance and productivity. By incorporating insights from these scholars, organizations can take a comprehensive approach to address the multifaceted challenges workers face in China's burgeoning IT sector, fostering a culture of well-being and resilience.
	The European IT sector is a crucial driver of economic growth but faces significant challenges regarding workforce well-being. High job expectations, the constant pressure to innovate, and the rapid technological evolution, as noted by Hartwell (2015), all contribute to
Europe	increased stress and burnout among IT professionals. This strain is exacerbated by the phenomenon of "technostress," which results from the constant use of technology, as described by McDaid (2005). Furthermore, previous research has shown that job instability caused by automation and offshoring hurts mental health.

	<p>In response to these pressing concerns, organizations in the European IT sector can implement flexible work arrangements and provide opportunities for skill development, as Stamp (1991) advocates. Hartwell (2015) emphasizes cultivating a positive workplace culture that values well-being. Furthermore, initiatives such as mental health awareness programs and counselling services, as highlighted by Hartwell (2015), play an essential role in helping employees navigate these challenges.</p> <p>Recognizing the inherent link between employee well-being and organizational success, prioritizing the welfare of IT professionals can result in numerous advantages. According to McDaid (2005), prioritizing employee well-being in Europe's IT sector can increase job satisfaction, higher productivity, and sustained industry growth. Organizations can foster an environment conducive to individual flourishing and the long-term prosperity of the European IT landscape by adopting a comprehensive approach that incorporates these insights.</p>
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### **Relationship between Psychological Well-being and Attrition**

**Higher Psychological Well-Being:** Individuals with higher psychological well-being are more engaged, satisfied, and committed to their jobs. They report relatively low levels of stress, higher job satisfaction, and higher levels of motivation. Consequently, conclusions are less likely to contemplate leaving the organization willingly.

**Low Attrition** Low attrition refers to a minimal number of voluntary employees leaving an organization within a stipulated period. In other words, a low number of employees leaving and staying within an organization is considered a sign of a stable workforce and low levels of turnover. Most businesses do prefer low attrition rates since it indicates a committed workforce. Typically, such organizations will have a healthy work environment, competitive remuneration, effective leadership, and powerful employee engagement policies.

Workers who have poor psychological well-being would more likely encounter higher levels of stress, dissatisfaction, and burnout, which will raise the chances of turnover and attrition. Such adverse psychological consequences lead to disenfranchisement, demotivation, and eventual exit from work.

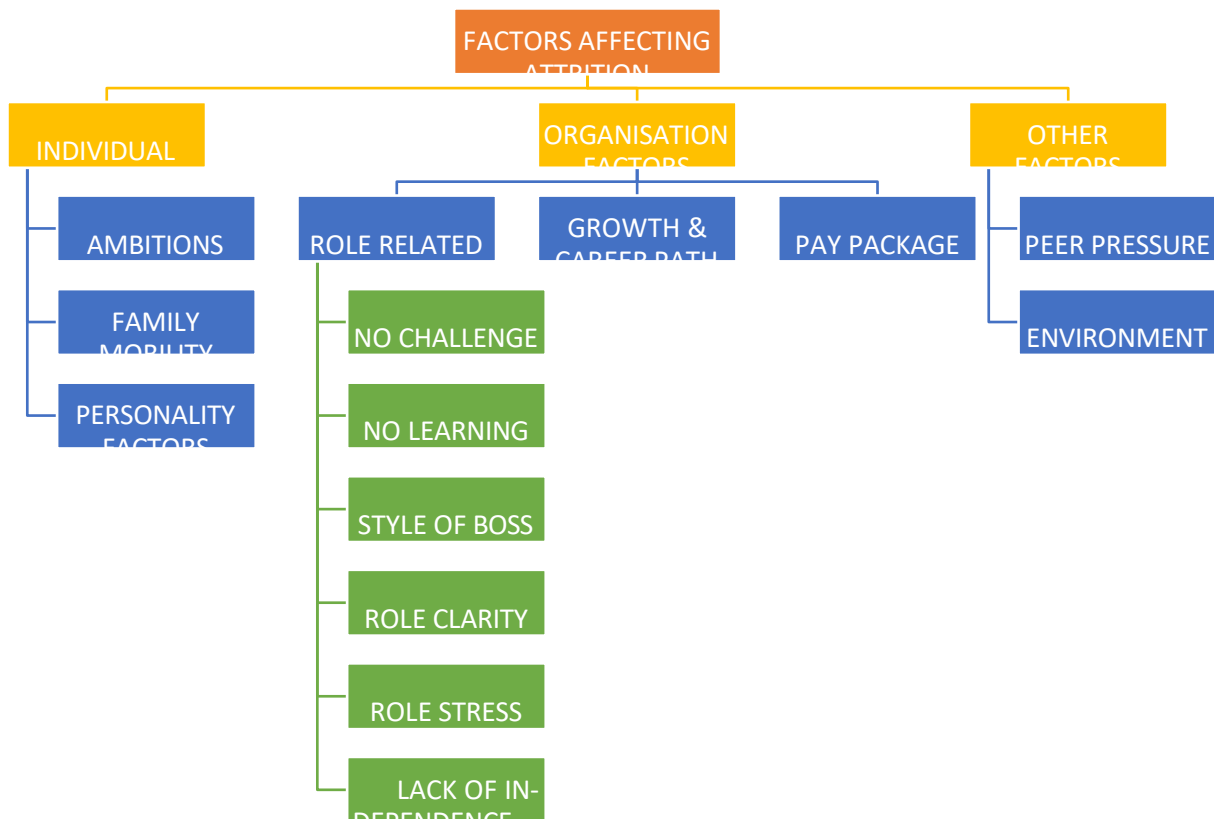
**High Attrition** It is the state where many employees leave an organization voluntarily within a relatively short time. It may, therefore, be said to indicate a rather high rate of employee turnover. Dissatisfaction with work conditions, low levels of employee engagement, poor opportunities for advancement, inadequate compensation, or an unfavorable organizational culture, for example, may contribute to high attrition.

**Moderate Psychological Well-being:** it can also affect attrition, but its specific nature is different. Indeed, although moderate psychological well-being can offer a foundation for

job satisfaction and engagement, individual circumstances and contextual factors have to be considered fully to understand their impact on attrition. Well-being Level: it includes mental, emotional, and physical health combined with life satisfaction. In addition to other characteristics, well-being includes psychological, social, and physiological aspects. Overall functioning, quality of life, and subjective experiences are taken into account while evaluating it.

**Attrition Rate:** The attrition rate is the number of employees that the business experiences leave within a given time period. This is usually computed as a percentage. It calculates the number of people who left the service of the business in a voluntarism and in voluntarism, compared to the average number of employees in that particular time period.

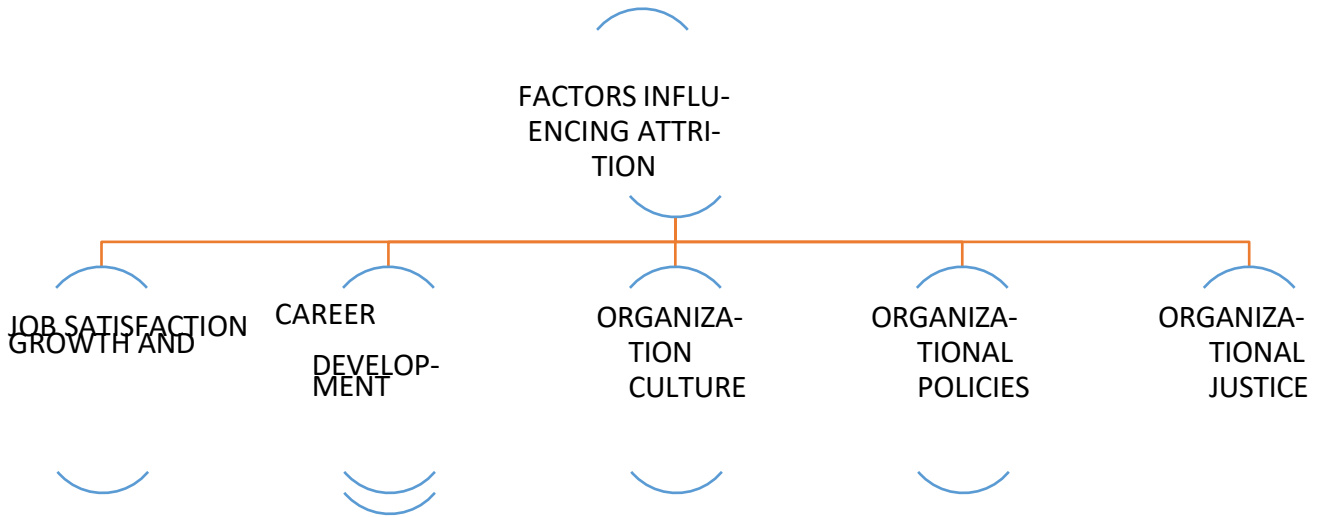
**Figure 1: Flowchart of factors affecting attrition**



SOURCE 1 Teammentors.in

**Figure 1** outlines factors affecting attrition, categorized into Individual Factors (ambitions, family mobility, personality), Organization Factors (role challenges, learning opportunities, boss style, role clarity, stress, independence, career growth, pay), and Other Factors (peer pressure, environment). Each factor impacts an employee's decision to stay or leave an organization.

**Figure 2: Flowchart of Factors Influencing Attrition**



In addition to the factors mentioned, there are other factors that influence attrition, as depicted in **Figure 2**.

**Attrition Rates and Intentions to Leave among IT Professionals in India**

This includes job satisfaction, organizational commitment, and career adaptability, all factors affecting the intent to leave and attrition in IT employees. Among stress factors, workload and role ambiguity top the list (Dhar, 2010). Professional commitment with job satisfaction can reduce turnover intentions (Mufitha, 2019). Understanding these factors will be instrumental to reduce turnover in this segment of the industry. This Indian research analyzed the impact of stressors, organizational commitment, locus

of control, and job satisfaction on the intent to leave among IT professionals. Strong commitment by IT professionals toward their profession and job satisfaction have a bearing on intent to leave. In addition, change and adaptability are one of the major elements that create success in the ICT industry with career control and confidence being very significant factors of turnover intentions for Malaysian IT professionals (Mufitha, 2019). Investigate the Psychological Well-being among IT Professionals in India Several studies have been carried out on Indian IT professionals' psychological

well-being. Pujitha in the study of 2023 established the positive correlation of work-life integration, satisfaction, and psychological well-being during the COVID-19 pandemic. However, Srivastava (2016) explained that psychological empowerment increases organizational commitment and work-life quality and thus leads to achieving better well-being. The work-life balance, well-being, and manager relationship are predictors of employee job satisfaction as identified by Thiruvendran (2018). While for instance, Darshan (2013) was specific to raise alarm over professional stress, depression, and alcohol use among Indian IT professionals with potential damage to their health. In the context of COVID-19 and its challenges to India, work from home emerges as an imperative for talent retention and attrition reduction. This study probes the linkages between work-life integration, satisfaction, and psychological well-being in the given context.

### **Findings**

Nijjer et al. (2023) found that many Indian IT professionals reported moderate to high levels of psychological well-being, and working conditions were influenced by factors such as job satisfaction, work life balance, and perceived organizational support showed positive contributions. Attrition rates were moderate with workload, limited career advancement, and poor work-life

balance seen to be critical factors influencing leavers' intentions. There is also a significant inverse relationship that is found between psychological well-being and attrition: higher the well-being fewer the intentions to quit. Apart from other variables, job satisfaction, work-life balance, and perceived organizational support were significant predictors of IT professionals' attrition.

### **Discussion**

With this objective in mind, this study explored the influence of psychological well-being on the Indian IT professionals' attrition rate and most importantly emphasized factors that moderate and generally influence the attrition rates. The results indicated a positive correlation between higher psychological well-being and higher job satisfaction, superior work-life balance, and perceived organizational support; hence lesser attrition rates would be seen. The intervening factors that contributed to moderate IT sector attrition are workload, limited career advancement, and poor work-life balance. Having strategies in place that improve job satisfaction, work-life balance, and organizational support can reduce attrition, as with having flexible work arrangements or even opportunities for advancement. Despite some limitations, future research can examine long-term effects as well as some other retention factors. Overall, promoting psychological well-being, as well as addressing

the critical factors of good HRM, ensures reducing attrition and, therefore, helps the employee and the organization.

## **Conclusion**

In summary, this study examined the relationship that exists between attrition and the psychological well-being of Indian IT professionals, bringing to light key factors contributing to the turnover rates. It was success in the near term and growth stability over the long term. It was found that better work-life balance, perceived organizational support, and higher levels of psychological well-being are all related to lower attrition rate. Conversely, moderate attrition is fostered by workload, limited opportunities for professional advancement, and a poor work-life balance in the IT business. The findings demonstrate how important it is to address these challenges to avoid turnover and keep talent in firms. Attrition requirements may be reduced by policies that promote work-life balance, job satisfaction, and support from the organization through flexible work arrangements and possibilities of professional advancement. Future studies may consider the long-term implications of treatments and other factors that may influence retention aside from those

limitations. In the fast-changing IT industry, protection of mental health and key variables will increase organizational resilience and lead to a better working environment.

## **Recommendations**

The companies operating in the IT sector feel extraordinary benefits when taking care of their employees' mental health. When a company maintains an environment, its employees turn out to be more robust, creative, and productive. This increases employee happiness, leads them less to leave, and makes them more effective in their work. In addition, when businesses invest in their employees' well-being, they save money because they do not have to spend too much time searching for and training new employees. It also helps the company's image, which attracts good employees. When a company is concerned about employee well-being, then it offers a good working environment that makes the company grow and thrive in the long run. Moreover, it enhances efficiency, reduces turnover cost, and attracts top talent to the organization along with enhancing the image of the organization. Finally, investment in employee well-being promotes a good work environment that promotes.

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# Conceptual Framework for Work-Life Balance and Career Success of Working Women

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and

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Abstract

Nowadays, work-life balance simply means nothing more than a harmonious balance between professional responsibilities and personal life. Balance between the world of work and family is an important characteristic in the determination of general well-being and job success. Work-life balance faces difficulty in its establishment by women due to their duties that fall simultaneously at both workplaces and homes as reinforced through societal expectations and organizational restraints. As more women enter the workforce and seek ambitious career goals, understanding the relationship between work-life balance and job success becomes important. On the basis of existing literatures, this study investigates the factors responsible for work life balance and also makes an attempt to prepare a conceptual framework between the relationship of work life balance and career success. The author has thus made an attempt on work-life balance and career success to be related in a direct relationship.

**Keywords:** Work Life Balance, Career Success, Working Women.

## Introduction

Work-Life Balance concept emerged from a straightforward need for Flexible hours and tele-commuting into a more complex grasp of the phenomena that includes Mental Health, Inclusivity, and Individual Needs. This has been the case in the 21st century, driven by changes in technology and demography in the workforce alone, aside from global events such as the COVID-19 pandemic. Work-life balance has become so significant, especially for women who have to play different roles as professionals and

caregivers doing homemaking jobs. The eradication of boundaries between work and personal life, advanced by improved communication technologies and an increase in working from home, has been hazardous to the separation of professional and personal responsibilities. Other challenges to women for work-life balance stem from society and gender roles. The double burden brought about by career and household responsibilities more often than not increased levels of stress and burnout associated with females. A healthy balance between work and life is, however, essential

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in females for overall well-being, lower levels of stress, and productivity. Most people fail to balance their time and lead themselves to burnout and reduced satisfaction with the job. Organizations are finally beginning to recognize how their offered flexible hours, working from home, and even extended wellness programs are important to their employees. For instance, flexible working conditions such as telecommuting and flexible schedules have started to become some of the more critical ingredients in work-life balancing. (Groysberg & Abrahams, 2014). Therefore, by offering these policies, there is an added benefit to work-family conflict. In layman's terms, such policies involve granting an employee more time to deal with, and therefore reduce the conflict between, work duties and obligations expected at home. However, their actual effectiveness could vary considerably based on the gender of the individual since females have often found to face more difficulties as compared to earlier on account of their dual roles in terms of working and domestic chores (Van der Lippe & Van Dijk, 2002). Therefore, work/life balance policies enhance employee morale, increase retention rates, and organisational commitment. It also happens quite frequently that flexible working increases work-family conflict in females because the edges of work blur with home, thereby increasing multitasking and stress (Bakker et al., 2014). A supportive work environment that values work-life balance can provide a variety of benefits for organizations, including improved employee retention and productivity, employee engagement, reduced absenteeism, and turnover. Moreover, age, education, and position level are also some significant socio-demographic factors affecting women's work-life balance and

organizational commitment. For example, hospitality industry studies show that with increased levels of educational and senior ranks, women experience an increasingly better work-life balance and are more committed to their organizations (Fan, 2011). Such findings do have important implications for the necessity for clear strategies aiming at career development and integrating work-life balance for women. A woman's perception of the supportive policy of a workplace would relate to parental leave, childcare support, as well as opportunities for career development. The steps taken would not only help women to balance work life and personal life more dynamically but also create the spirit of gender equality, hence enabling women to pursue their goals in a career with no compromises in terms of family responsibilities.

### **Work life balance**

Work-life balance is an issue that took wide importance in the past decades due to its implications for the career sustainability of working women the ideal situation where people successfully balance between their work and personal or family life (Greenhaus & Allen, 2011). The workforce in the twenty-first century is more diversified in terms of gender, age, and cultural background. More organizations realize that they have no choice but to accommodate this development through policies that allow their people to balance work and life. Work-life balance remains high on the list, especially for millennials and Generation Z. They seek remote work opportunities, flexible schedules, and a setting where their lifestyle preference can be accommodated. Different firms have resorted to flexible working arrangements,

such as part-time working, reduced workweeks, and flexitime, to enable them to balance their lives both at a personal and professional level. The companies have also been instrumental in providing a conducive working environment through wellness programs, support mechanisms for mental health issues, and family-friendly policies including time off and child support. In fact, this is because traditional gender stereotypes and cultural expectations place a disproportionate share of household activities on women, hence making finding balance more challenging (Hochschild & Machung, 2012). The literature suggests that it is important for professional success to strike a work-life balance, expressed as an ability to grow within one's career without jeopardizing or putting one's personal life in danger (Kossek et al., 2014).

### **Career Success**

Career success has been conceptualized as a multidimensional construct, both objective and subjective. Objective career success measures include those apparently related to observable events, such as promotions, increments, and professional recognition. The subjective measures are those related to personal satisfaction with the chosen career path, job involvement, and those resulting from successful experience in one's career. Women who seek career success often have to tear down barriers that create bias against them, impede professional development and growth, and affect upward mobility. These barriers run the gamut from subtle biases in promotion and evaluation to outright discrimination and the lack of networking opportunities.

### **Relationship between Work-life Balance and Career Success**

This is closely linked to career success for working women, whereby the dual demands of professional and personal life can cause significant levels of stress, burnout, and feelings of overwhelm that may impact their career progressions and personal well-being. Where organizations provide supportive environments, i.e., flexible working hours, options for working from home and good child care support, women are able to manage their dual roles much better, which, in turn, serves their work-life balance and career growth. Recently, the trend has changed that work-life balance has come up as an increasingly significant determinant of career success. Supportive policies and inclusive cultures, which organizations can provide, facilitate work-life balance with improved levels of employee satisfaction, reduced turnover, and heightened productivity. For women, such supportive measures take on added importance since they are able to pursue their career goals without having to make compromises on their personal and family commitments.

### **Objectives of the Study**

- To identify the work-related and family-related factors affecting WLB among working women.
- To analyse the impact of WLB on career success.
- To understand the relationship between WLB and Career Success.

**Review of Literature:** The relationship between career commitment and employee career success in middle-level service

sector employees in an Asian economy, and the results showed that work-life balance moderates the relationship between career engagement and subjective career success; and so balancing work and family life can influence how career commitment influences success. It therefore calls for an effective balance between work and life in order to be able to shape the career outcomes in the emerging Asian economies. This has been established by Najam et al., (2020) supported by other findings such as Burki et al., (2020). The contribution their research would help understand the career commitment and subjective success in this context postulating that in attaining career success work-life balance is core amongst service sector employees. The study "Career Success and Satisfaction: A Comparative Study in Nine Countries" tries to examine the recognition of successful women's levels of career and life satisfaction within a multi-country context in the America, it showed that satisfaction was invariant across occupations and countries, but it varied considerably with age and marital status. Also, women who had higher levels of satisfaction shared such attributes as self-efficacy, need for achievement, and internal locus of control. This study contributes to a better understanding of factors that affect career success and satisfaction of women worldwide and points at the importance of personal characteristics and life circumstances. Further exploration in this domain could yield valuable insights into the determinants of career satisfaction and success on a worldwide scale (Punnett et al., 2007).

Kossek et al., (2011) explore the role of boundary management in Work and Life Balance, and suggested that those

employees who can set clear boundaries between work and family are better able to manage conflicts and stress compared to others. They also emphasized organizational interventions that support employees in defining and maintaining these boundaries.

Ross & Vasantha (2014) discussed teachers' burnout, stress, appraisal, coping mechanisms, and a general measure of work stress. Additionally, the article delves into the impact of stress on work-life balance, signs of unhealthy work-life balance, and suggestions for employers to reduce work-life balance issues in the workplace. It highlights the significance of achieving a balance between work and personal life for overall well-being and productivity.

### Model of work life balance and Career success

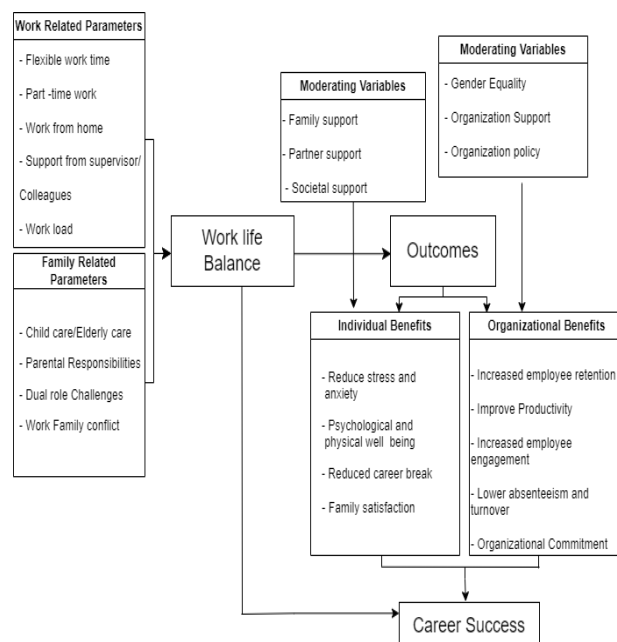


Figure 1. Work life balance and career success model

## **Work-Related Parameters**

Other important features of work-life balance are flexible work schedules. A study by Hill et al., (2008) evidences that flexible working hours decrease work-family conflict and increase job satisfaction for women. In the same way, the findings of Blair-Loy and Wharton (2002) indicate that flexibility in work enables women to cope with their dual responsibilities as an employee and as a caregiver. According to the studies conducted by Golden et al., (2006), indications are that part-time work and telecommuting are some of the favourable strategies for balancing work and family demands since such arrangements give women an opportunity to discharge their responsibilities at both levels without compromising on career aspirations. This facilitation in WLB is crucially aided by the support from supervisors and colleagues. Reciprocally, more supportive work environments—that is, supervisors sensitive and responsive to family responsibilities—receive greater job satisfaction and reduced stress from women employees.

## **Family-Related Parameters**

The competing demands of childcare and eldercare have a real bearing on WLB for working women. Hochschild & Machung (2012) indicate that in large measure, struggle to balance work with family is further exacerbated by their caregiving roles. Access to quality childcare and other forms of eldercare would be one facilitator of this possibility of permitting women to stay at work. According to Greenhaus & Powell (2006) women have survived many challenges in the transition between parental responsibilities and career needs. Continuous juggling of work and family

roles may result in stress and burnout, which can affect both professional performance and personal well-being. Work-family conflict—as a concept—was introduced by Greenhaus and Beutell (1985) quite rightly, the concept is workable in this present world. Work-family conflict arises when the demands of work and family roles are incompatible, leading to strain and stress. This conflict is a significant barrier to career advancement for many women.

**Work-Life Balance leads to Outcomes**, which can be divided into Individual Benefits and Organizational Benefits. Family support reduces work-family conflict, lowering stress and anxiety levels (Allen & Finkelstein, 2014). Partner support enhances psychological and physical well-being by helping manage dual roles, thus reducing stress (Eby & Allen, 2016). Societal support influences positive attitudes towards work-life balance, reducing career breaks, especially for women. Work-life balance also leads to greater family satisfaction, as balanced work and family roles contribute to a harmonious home environment (Voydanoff, 2004). On the organizational side, gender equality practices foster an inclusive and supportive work environment, improving organizational performance and employee satisfaction (Konrad & Linnehan, 2014). Organizational policies that support work-life balance significantly increase employee retention by helping employees manage their professional and personal lives effectively (Hill et al., 2001). Furthermore, work-life balance programs have been shown to enhance employee productivity (Beauregard & Henry, 2009). Such practices are linked to higher levels of employee engagement (Richman et al.,

2008) and lower absenteeism and turnover rates (Kossek & Ozeki, 1998). Lastly, organizational support for work-life balance fosters greater organizational commitment, as employees who perceive their organizations as supportive are more loyal and committed (Rhoades & Eisenberger, 2020).

The outcomes of work-life balance are significantly influenced by moderating variables, which impact both individual and organizational domains. These variables—such as family support, partner support, societal support, gender equality, organizational policies, and organizational support—are critical in determining how effectively work-life balance is achieved and maintained. Family support has been shown to enhance individual well-being by mitigating work-family conflict and improving overall job satisfaction (Allen & Finkelstein, 2014). Partner support further contributes to managing work-life responsibilities, reducing stress, and enhancing individual life satisfaction (Eby & Allen, 2016). Additionally, societal support influences individual benefits by fostering positive attitudes towards work-life integration, which helps individuals better balance their work and personal lives (Gornick & Meyers, 2009). On the organizational side, gender equality practices promote a more inclusive and supportive work environment, thereby improving overall organizational performance and employee satisfaction (Konrad & Linnehan, 2014).

Hill et al. (2001) reported work-life balance organizational policies have significantly enhanced organizational citizenship behaviors such as employee retention and satisfaction. Lastly, organizational support has been discussed by Rhoades &

Eisenberger (2020) as translating positively into commitment and satisfaction among employees for benefits on organizational performance. Taken together, these facilitating variables of moderation provide greater work-life balance and improve individual well-being and organizational effectiveness. This could increase their influence so much that improved well-being and job satisfaction experienced by individuals and better employee engagement, retention, and overall performance on organizations' part would be influenced to a lesser or full degree.

## Conclusion

Work-life balance provides the foundation for both individual and organizational benefits. Work-family culture significantly impacts employee well-being and organizational success (Andreassi & Thompson, 2008). Reduced levels of stress, improved well-being, and a superior supportive work environment enable individuals to grow in their jobs and develop into more productive and highly engaged workers, thus moving upward in their careers. Organizations that invest in supportive work-life balance policies benefit from increased retention and productivity, along with commitment, thereby creating a better ground for the employees to grow in their respective careers. Thus, work-life balance directly influences a successful career through individual and organizational interrelated benefits.

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## THE UNIVERSITY CREST



The tree in the Crest is the Historic Mango tree where the founders of this seat of learning started their activity and the rising sun behind the tree represents the light of learning that is being spread by this Rural Centre of Education. The Sanskrit dictum in the form of a crest presents the ideal viz. "Character and conduct are the fruits of learning" - "शीलवृत्तफलं श्रुतम्" - that is set before it by the great personality after whom this place and this University are named.