OCTOBER 2023

Volume: 08, Issue: 02

NATIONAL JOURNAL OF RESEARCH IN MARKETING, FINANCE & HRM

ISSN: 2455-5398

National Journal of Research in Marketing, Finance & HRM

Subscriptions:

National Journal of Research in Marketing, Finance & HRM is available against subscription only.

Subscription rate for Individuals/ Institutions	
1 year	Rs. 1000/-
2 years	Rs. 1800/-
3 years	Rs. 2500/-
For International subscription	US $ 40 per year

For subscriptions and related enquiries write to:

The Head,
Subscription
Cell
National Journal of Research in Marketing,
Finance & HRM, Pune – 410505.
+91-02133-272213/14
Email: njr.editor@gmail.com

National Journal of Research in Marketing, Finance & HRM

Advisory Board

Peer Review Team

Sr. No.	Name	Designation
1.	Dr. Walmik Sarvade	Dean, Department of Commerce and Management, Dr. Babasaheb Ambedkar Marathwada University, Aurangabad-431005.
2.	Dr. S. S. Mahajan	Dean, Department of Commerce and Management, Shivaji University, Kolhapur – 416 004
3.	Dr. Syed Azzharuddin	Professor & HOD, Department of Commerce &Managment, Dr. Babasaheb Ambedkar Marathwada University, Aurangabad-431005.
5.	Dr. Meenakshi Waikole	Principal, Arts, Science & P. O. Nahata Commerce College, Bhusawal, Jalgaon- 425 201
6.	Dr. Dilip Gotmare	Principal, Dr.Panjabrao Deshmukh College, Cotton Market, Nagpur.
7.	Dr. Ganesh T. Patil	Principal, Smt. V. N. Mahila College, Pusad, Dist.-Yevatmal, 445204
8.	Dr. D. M. Khandare	Professor, School of Commerce and Management Sciences, Swami Ramanand Teerth Marathwada University, Nanded - 431 606.
9.	Dr. M. R. Patil	Professor, D. M. S. College of Art, Commerce and Science, Mapusa, Goa 403507.

Peer Review Policy Statement:
Reviewers are matched to the paper according to their expertise or subject. Our panel of reviewer is constantly being updated. Reviewers then evaluate the manuscript on following aspects: a. Originality or otherwise b. Methodology c. Follows appropriate guidelines given d. Results clearly presented with conclusions and findings and correct references. Reviewers not expected to correct or copyedit manuscripts. Language correction is a part of the editorial process.

National Journal of Research in Marketing, Finance & HRM
Volume: 08 No.02 October : 2023 ISSN: 2455-5398

INDEX

National Journal of Research in Marketing, Finance & HRM
Volume: 08 No.02 October : 2023 ISSN: 2455-5398

INDEX

"Green HRM"

Ms. Erum Faheem Siddiqui

Research Student, Dr. D.Y. Patil Arts, Commerce & Science College Pimpri, Pune

siddiquierum87@gmail.com

Dr. Indirarani Y. Ausare

indira.ausare@dypvp.edu.in

Research Guide, Dr. D.Y. Patil Arts, Commerce & Science College Pimpri, Pune

Abstract-

The concept of green human resource management has recently been combined with environmental management in enterprises, urbanization, industrialization, etc. I am mainly responsible for managing human resources operations, and the working conditions are good. In general, green human resource management practices are adopted to reduce each employee's CO_2 emissions and the holding company's information capital. It also plays an important role in persuading workers to manage resources and participate in waste management to curb environmental pollution. Companies are encouraged to be more aware of the individual skills that make up green human resource management. Development requires a combination of ecological management and human resource management. Organizations are now realizing that while they need to focus on financial returns, they also need to consider social and environmental impacts to ensure manageability. Therefore, this term has recently received attention from academic analysts and experts. This article reviews his GHRM practices in organizations based on much current literature. This study revealed the importance of his GHRM ideas, practices, strategies and challenges in business and other organizations. This study uses documented strategies to observe, collect, and disseminate current green human resource management research.

Keywords- *GHRM, Human Resources Management, Environment, Sustainability, Green Creativity, Professionals*.

Introduction:

Concerns about the situation in developing countries are forcing companies to shift towards sustainable activities and develop environmentally friendly methods. Global conservation and protection requires companies to develop conditional systems. For everyone, "green human resource management" is becoming a huge management area (Mehta & Chugan, 2015). Integrating natural goals and practices into an organization's overall development goals will help ensure a successful environmental management framework. Fayyazia, Shahbazmoradib, Afsharc, and Shahbazmoradic (2015) state that environmental management in human resource management (HRM) is fundamental or important and is not a simple temptation and therefore a requirement. The evolution of global nature issues and improvements in global nature models require organizations to embrace formal ecological practices (Daily & Huang, 2001). Various types of writings on green marketing (Peattie & Ratnayaka, 1992), green retailing (Kee-hung, 2010), green accounting (Bebbington, 2001), and green management. However, it focuses on the concept of Green Human Resource Management (GHRM).). . Analysts believe that the acceptance of environmentally friendly practices has become an important driver in the work of organizations due to the improvement in the quality of human resource management practices. Lee (2009) defined "green management" as an activity, and this organization established a natural management approach for the earth.

The contribution and interest of employees and the association of workers are essential to the belief of the idea of "inexperienced human aid control". We want to put into effect this exercise in our each day lives (Renwick, Redman, & Maguire, 2008). They have proven that herbal control frameworks may have an positive effect at the individual or ecological wondering and conduct of workers` personal lives. The vulnerabilities contain guidance on well-known literature, its extent and inclusiveness, in addition to procedural fashions and studies reasons with inside the field. We are conscious that HR professionals are having an in-depth discussion on the term "inexperienced human aid control". Currently, organizations are focusing on integrating herbal maintainability into their HR technologies. As needed, a huge quantity of studies is being completed to rationalize the inexperienced human aid control. This study would possibly help HR professionals for the implementation of inexperienced human assets control system. It may additionally help employees to include inexperienced control techniques to defend and beautify the prosperity of organizations. Further studies would possibly locate the brand new findings and records in this regards.

Literature review:

The Western literature is largely followed by green human aid control. Fayyazia, Shahbazmoradib, Afsharc, and Shahbazmoradic (2015) stated human aid control (HRM) is like environmental control than easy temptation. It is vital to merge them. Special efforts require for powerful environmental control in human aid control of an company (Rothenberg, 2003). Basically, to help the entire implementation and protection of the environmental control frameworks in the company require human aid practices. Supportability in the HR directors can fast alter with the company to select environmental heroes. An experimental research is characterized by environmental control practices that carry out organizational overall performance the use of diverse parameters. Important insights understand the coordination of environmental locations and methods, as well as the company`s key improvement goals, have led to a viable environmental control framework.

Day by Day and Huang (2001) confirm that organizations can gain more benefits than before by adopting environmentally friendly practices, so organizations should protect the environment as well. suggest that machine development also needs to be fundamentally adapted (Murari & Bhandari, 2011). Human resources departments have made significant contributions to creating a supportive culture in organizations (Harmon, 2010). It is recognized that the more important the quality of green talent is, the more pronounced is the power of an organization to choose environmental management frameworks (EMS) and arrangements. Recently, several contemporary researchers have strengthened the understanding and focused on green human resource management (Berrone & Gomez-Mejia, 2009). Integrating technology and environmental goals into an organization's key improvement goals helps build a viable EMS foundation (Haden, Oyler, and Humphreys, 2009). Various scholars support human resource management practices to promote the development of human capital and attract customers that bring performance and profits to the organization (Boselie, Paauwe, & Jansen, 2001).

Recognized strategies for registration, implementation and assessment management, workforce preparation and improvement, employee relations and reward frameworks are considered useful tools for adapting the approach of employees to the organizational environment. (Renwick et al., 2008). Some experts believe that achieving a viable framework for sustainable business management requires improving many of the professional and leadership skills of the workforce (Daily, Bishop & Steiner, 2007). Some believe the organization is improving. Resource-rich tools and environmental management (EM) activities bring about changes that fundamentally impact the viability of a business and increase its profits (Lin, Jones, Hsieh). Ultimately, creating such structures requires strong human resource management, including the implementation of rigorous registration practices (Grolleau, Mzoughi, & Pekovic, 2012).

Promote new skills and competencies among professionals in 'Pro Green' organizations. Regardless of what strategies they use when conducting their research, these analysts have developed concepts that are important to the legal regulation of human resource management standards and the goals of green management in organizations. . Fundamentally, as pointed out by Dutta (2012), green human resource management includes what he calls two noteworthy elements, particularly green human resource practices and the protection of learning capital. Because it requires direct use of each employee's contacts/interfaces to promote viable practices and increase employee awareness and responsibility for supportability issues (Mandip, 2012). The company's human resources department makes special efforts to incorporate environmental responsibility into the company's mission statement. This is so that employees can continue to use such examples in their personal lives. The main objective of green human resource management is to make employees aware of the complexities of environmental management, such as: B. What activities are needed, what skills do you have and how can you contribute to the environment?

We are proud that this activity truly promotes the work of our workers and is a major step towards an environmentally friendly program. Cherian and Jacob (2012) published a comprehensive review of green human resource management. It must be recognized that carrying capacity, native habitat integration, and human resource management are emerging areas that are expected to improve rapidly, and that the range of outcomes produced is not fully explained. Green HRM refers to all activities that involve promoting, implementing, and sustaining a framework designed to make employee organizations green (environmentally friendly) (Mehta & Chugan, 2015). One of the stakeholders in human resource management is to transform the typical employee into a green employee, such as an eco-friendly employee, in order to ultimately achieve the organization's environmental goals and thereby strongly commit to environmental sustainability. I am concerned about changes to the environment. HRM frameworks, specifically exercises, skills, and procedures designed to attract, create, and retain (or dispose of) a company's human resources.

This includes personal management strategies and practices for concerns related to the company's broader environmental agenda. Honesty includes strategies, practices, and frameworks that make an organization's workforce more environmentally friendly to support individuals, society, traditional habitats, and business (Opatha & Arulrajah, 2014). The motive behind green human resource management is to develop, improve and maintain the environmental friendliness of all employees within a company. The goal is for the person to make maximum personal commitment to each of her four professions: protectionist, mediator, non-polluter and creator. In this respect, it is considered an approach to organizing green development to ensure environmental safety. Green Human Resource Management involves promoting a green workforce, understanding, recognizing, and practicing green activities, and maintaining green goals through human resource management processes that include recruiting, sourcing, preparing, modifying, creating, and promoting an organization's human capital (Mathapati 2013).

Statement of the Problem:

We review the extensive literature in the green HRM field to identify gaps and opportunities for further research. Developing a process model for green human resources management from joining to leaving the company. The purpose of environmental protection is to use products and methods that do not negatively impact the environment by polluting or depleting natural resources (Robinson, 2008). Furthermore, scarce natural resources are used efficiently and effectively while keeping the environment free of harmful substances. Strategic HRM researchers have argued that HR should be practiced as a whole and must be aligned with strategic organizational goals to achieve HR effectiveness. These are the primary means by which organizations influence and shape the skills, attitudes, and behaviors of individuals as they perform their jobs, thereby achieving organizational goals (Collins and Clark, 2003). The topic of "green HRM" is attracting increasing attention among management scholars. However, despite its importance to managers, employees, customers and other stakeholders, research considering the complete HRM process in organizations pursuing environmental sustainability as a current changing trend in business there are very few. Therefore, there is an increasing need to adopt green HRM for HRM sustainability.

Significance of the Study:

Nowadays, the need for green human resource management has become important all over the world. Each person's eco-consciousness determines their lifestyle and environment. General employees are interested in green human resource management because it is important and necessary in their current workplace. Our personal and professional lifestyles are influenced by many things. The corporate world is of paramount importance in improving environmental problems, and businesses need to find solutions to these hazards. However, the concept of 'green HRM' is now evolving and the composition of political priorities is changing. Today, work is still essential, but it is also the basis of personal satisfaction. One of the means to achieve personal and professional goals is through environmental benefits. This green HRM is born out of social responsibility towards employees and also to give employers a competitive advantage. Many people believe that green HRM is within the scope of what companies do for their employees.

Objectives of the study

1. To build up a basic understanding of Green HRM to the readers.
2. To come across the reasons why we need to adopt Green HRM.
3. To find out the limitations or barriers to its successful implementation.

4. To suggest some possible Green Initiatives by the HR Department.

Research Methodology:

Research Design In order to pursue the above questions and objectives, the following methodology was adopted for the study. This is a descriptive method based on both primary and secondary data. The first objective of the study was pursued through the collection and analysis of data from secondary sources, while all other objectives were achieved through the collection and analysis of primary data. If Green HRM is considered as primary data, the source of primary data is from the practices of Google, Land Rover Group, Dow Chemical, Tata Group of Companies and the source of secondary data is from journals, re-letters, magazines etc.

Background of the Study:

What Green Human Resource Management Really Means?

Basically, it's about using green practices and processes to attract green HR professionals. That it includes the acquisition, acceptance, preparation, management implementation, and compensation of human capital management. These goals are intended to enhance the overall impression of the organization elements of human resource management are generally considered traditional and implements multiple environmentally friendly practices. We approach it from all angles.

Green Human Resources Planning:

This means participating in estimating the expected number of employees and types of employees. Implementation of a company's environmental management activities or programs (e.g. ISO 14001, proper care, cleaner creation, etc.), participation of some employees and employees who are expected to provide entrepreneurial services, environmental management activities, plans, and practices (ISO14001, clean creation, careful consideration etc). Participate in the selection of technologies that meet identified environmental requirements, selection of experts and specialists in areas such as vitality and environmental assessment (Opasa & Arulrajah, 2015). Typically, expectations can be used to determine the scope of environmental safety-related duties, obligations, and responsibilities (Renwick et al., 2013). Responsibilities and personal (work) details relate to social, environmental and personal aspects within the organization. Examples include contracting out environmental treatment work and health and safety concerns, as well as insurance requirements. Organizations can also use collaborations and practice groups as employment planning techniques to effectively address environmental issues.

Green Human Resources Recruitment:

Methods are familiar with rational procedures, environmental frameworks, representations a protective and supportive environment. Green registration definitely makes it new the ability to know green practices and environmental frameworks that enhance high-performance environmental management within organizations (Wehrmeyer, 1996). There is a very urgent need to recruit the most resourceful and creative workforce, expand registration possibilities and recruit qualified personnel. Wehrmeyer (1996) suggests that: The duties of environmental announcers should be determined by their responsibilities. Health and safety errands and other tasks related to environmental impact. Need to customize meetings to measure potential similarities of competitors In line with the organization's green goals.

Green Orientation:

Free selection of corporate environmental management concepts, framework conditions, and practices Organizations must provide important clarification to applicants for their positions. When the opportunity arises, the organization clearly demonstrates green acceptance to newcomers, they design new things Inform employees about environmental guidance programs that are clearly related to their employment. Worker Management projects should be structured to facilitate new employee integration A culture of green consciousness. Acceptance projects must reflect the organization's concerns a culture of green consciousness. Acceptance projects must reflect the organization's concerns a culture of green consciousness. The acceptance project should express the organization's concern for employee green issues such as employee health, safety, and green working conditions (Deshwal, 2015).

Green Human Resources Training and Development:

Preparation and support programs address environmental and social issues for employees at all levels. Preparation and improvement include work strategies to reduce waste, use resources judiciously, maintain vitality and reduce environmental degradation. This provides opportunities for contact with environmentally critical workers (Zoogah, 2011). They adopted different contextual analysis strategies to complete the audit and recognized green preparation and promotion efforts to increase business value. Additionally (Daily, Bishop & Steiner, 2007) he conducted a survey of 437 employees and the findings were that the development of a strong environmental management framework is directly dependent on environmental training and development is shown.

Green Performance Appraisal System:

Performance Management (PM) introduces the challenges of environment execution models that span multiple entities and increases valuable information. The environmental goals set by the organization are achieved through a green human resources management system. This is an ongoing process between managers and employees. This especially occurs when organizational goals are achieved. Green HRM is integrated into corporate strategy and environmental initiatives. It is safe environmental management. Therefore, there is a link between green HRM and green workplace expressions (Mandip, 2012).

Green Learning and Development Programs:

Ongoing green training and development plans, combined with projects, workshops and conferences, provide employees with opportunities to create and receive environmental management information. It also helps develop green skills and a green mindset. The focus of Green Task work is a basic career advancement plan that a competent Green Supervisor can implement. Preparation materials will be developed to expand employees' skills and learning in environmental management. They can be widely used not only in intelligent media as environmental management preparation devices, but also in network and electronic modules. Environmental health, vitality, effectiveness, waste management and reuse can be the main objectives of green management. Rather than relying on free printed materials, you can further reduce your paper usage with online educational materials and situational surveys.

Green Compensation and Reward System:

Pay components can be used to encourage employees to change their behavior to achieve green implementation (Mehta & Chugan, 2015). Our salary and compensation system guarantees green management. Salary package may vary depending on green skills and performance (Deshwal, 2015). Monetary and non-monetary bonuses can be used for green performance of employees. Monetary-based compensation can be based on environmental management efforts. Salary increases, financial incentives, and types of compensation may be considered. Financial rewards may include vacation time, special leave, and blessings for employees and their dependents. CEOs or senior executives recognize green initiatives and devote significant attention, public recognition, and energy to them.

Green Employee Relations:

Developing "e-commerce visionaries" is the foundation for improving the ability of an organization's product and management staff to make best use of existing financial, human and natural resources (Deshwal, 2015). Employee interest in green activities provides better opportunities to adapt employees' goals, skills, inspiration and observations to green management through green management practices and frameworks. Employees, including EM employees, are believed to improve the EM environment through efficient use of resources, reduced waste, and reduced pollution of the work environment. In their research, some experts believe that empowerment definitely affects profitability and execution and promotes restraint, reasoning, and critical thinking skills (Renwick et al. 2008). An important way to increase an employee's contribution to an organization is to find businesspeople with social or biological status within the organization. It is called “eco-businessman” (Mandip, 2012). This allows all employees to awaken their enthusiasm for environmental issues and demonstrate their abilities. Human resources professionals should pressure management to create a participatory workplace where employees can submit their own ideas on environmental issues, because they are actually responsible for implementing ethical corporate behavior in the daily lives of the organization's employees. This means that the best ideas usually come from employees working in a particular field, so achieving green results usually depends on employees' enthusiasm for teamwork.

Elements of Affecting the Green Human Resources Management:

Green human resource management focuses on transforming typical employees into green workers (e.g., environmentally friendly employees) in order to ultimately achieve the organization's environmental goals, thereby increasing the ease of environmental management focus. Experts are particularly interested in variables related to the effective implementation of green HR practices. The components of HRM (recruitment, decision-making, preparation, implementation evaluation, compensation) distinguish accompanying variables determined by the implementation of green human resource management practices. Human resources agreements create rules for monitoring individuals within an organization. These describe the organization's findings and estimation methods and how those methods should treat individuals. Human resource management methods provide a summary guide for addressing human resource issues (Armstrong, 2009). See different perspectives on senior management's efforts to achieve the more important aspects of environmental initiatives. The way to do this is to manage the employees themselves, develop innovative answers to the questions posed, establish environmental awareness and realize expertise in this field. Teamwork requires collective contribution, and the benefits come from the group rather than the individual. The purpose is to fundamentally clarify the importance of the employee association through strengthening and collaboration. The basic elements of worker empowerment and motivation are effective for environmental management systems. In this case, in order to raise employees' awareness of inclusive management, employees themselves need to feel free to make suggestions and strive for improvements. Ultimately, managers' actions set an example for the rest of the organization. How do bosses deal with employee issues? The performance framework must reflect a broad expression of environmental excellence in advertising, planning, activities and management, and this applies to all employees must mean that the company assumes significant responsibility for the quality of the environment (McLaughlin, 1993).

Main Challenges of Green Human Resource Management:

Human resources departments have the important task of monitoring employee performance from the time they join the company until they leave the company. The company is currently working on green business. Therefore, HR departments have a responsibility to practice environmental awareness alongside their HR operations. Human resources strategy develops rules for monitoring individuals. These explain how organizations deal with theories and evaluations from individuals. A human resource strategy provides an overview guide for managing human resources. Deshwal (2015) pointed out the difficulties associated with green human resource management.

- It is difficult to change employee behavior within a limited time frame.
- Not all employees are equally convinced of their interest in developing environmentally friendly HRM practices within their organizations.
- Rolling out a green HRM lifestyle across an organization is a tedious and tedious process.
- It requires high speculation and moderate rate of return at the lowest level.
- Providing quality gifts and purchasing and recruiting environmentally friendly employees is a difficult task.
- It is difficult to assess the feasibility of green human resource management practices in employee behavior.
- The issues faced by HR professionals provide HR professionals with the basic green structures, green processes, green tools, and green reasoning to make the best choices and become the future green pioneers of their organizations. I have to rely on that.

Implications:

Our findings provide HR professionals with a deeper understanding of how to achieve overwhelming green innovation among employees, especially as companies seek to realize the challenges posed by environmental issues. First of all, it should be made clear that investing resources in environmental issues does not mean wasting effort, wasting resources, or increasing the weight of corporations. Interestingly, today, improving green innovation capabilities has become a viable way to address advantage, helping companies enter new green markets. Therefore, organizations should appropriately raise their focus on environmental management and strive to create an environmentally sustainable image to attract equally enthusiastic job seekers. To promote green energy and green innovation among employees, companies should create a functional supporting environment, such as providing budgetary support, presenting advanced environmental management strategies, and building a framework to stimulate employees' green imagination.

Second, organizations should adapt green ideas in their long-term environmental techniques, which require high-level green human resource management arrangements, including preparation and promotion green, green remuneration and compensation, etc. The environmental process encourages organizations to develop green intensity and create an environmentally friendly climate, providing the necessary resources and support to generate useful ideas for the organization's management process. With this in mind, the human resources office must truly implement ecological human resource management practices. For example, when selecting new employees, pay more attention to environmental quality and workers' environmental awareness.

Green training should not only focus on improving workers' environmental safety skills; but they must also try to communicate to people the goals and qualities of the organization in terms of environmental management. Third, this survey offers important recommendations for leaders using transformation initiatives to manage green human capital management and foster green enthusiasm among workers. Pioneers can use transformational methods in the early development stages of green human resource management to set collaborative, environmental and development standards, and can provide benchmarks. Specifically measure the organization's resources to create enthusiasm, creativity, and environmental friendliness for employees. In this way, transformation management can improve the green imagination of enterprises by influencing green human resource management and stimulating worker innovation.

This reminds specialists that so as to improve green imagination and addition green aggressiveness, firms can concentrate on encouraging transformational administration, and causing chiefs to assume a crucial job. Some administrative intercessions, for example, green group building, conceptualizing rivalries, or pay plans for expanding green innovativeness, may be great decisions. At last, as we probably aware that China is the second biggest economy on the planet. Until the mid-21st century, undertakings have been exorbitantly seeking after financial advantages and ignoring environmental issues during the time spent advancement. In any case, with the debasement of the environment, the attention to us relating environmental insurance has steadily expanded. For example, the Chinese government also effectively promotes the change of enterprise development model and encourages enterprises to comply with equally important financial and bio-environmental safety improvements, which can causes certain difficulties for organizations. Through environmental management, collect workers' environmental energy and enhance their green creativity; But organizations can also turn difficulties into situations and gain the upper hand.

For organizations that may face similar promotions in emerging economies, our audit can demonstrate that their organization has changed its financial improvement model. and achieve green incentive targets. Furthermore, previous studies have emerged as a beneficial link between environment, human resource management and business. The organization has many goals and can adopt green human resource management methods in the organization. These activities will not benefit the organization but also provide the most important resource or department of the organization that can never be overlooked (i.e. employees) Point of Contact. Green human resource management practices improve employee morale, which in turn can protect the environment, which will be valuable for both the organization and the workers.

Conclusion:

There is an innate limitation to human resource management. It works for greening professionals and organizations. From recruitment involvement to professional relationships, human resource management plays a vital role in greening organizational goals. HR professionals understand green human resource management as they develop their organizations, because it encourages better environmental organization. Green HRM is another miracle of human resource management. However, this can cause some difficulties for HR professionals. It also studies the ideas, importance, processes, necessity and difficulties in green human resource management. Therefore, Green HR can adopt different green processes and practices in many different situations to organize and mobilize human resources. Specific management methods, tasks of professionals, collaboration, reinforcement of positive behavior, simple frameworks are all linked to Green HR techniques. However, professionals face various difficulties in managing green human resources.

However, professionals must meet the needs of green management processes, strategies and practices. Therefore, it helps experts identify under-researched areas of green human resource management. This line of research depends on an in-depth study of the existing literature. The author attempts to usefully elucidate the concepts, processes, prerequisites and difficulties in green human resource management. The aim is to provide support to interested readers, scientists and scholars. Regardless, green human resource management is an evolving approach. Certainly, there are still many gaps in green human resource management that need to be filled. These gaps include guidance on new literature, its expansion and inclusion, as well as program models and research plans in the field. Testing assumptions and accuracy will increase the types of green HRM information. Interested philanthropists/experts can conduct in-depth and subjective quantitative research on green human resource management.

Bibliography / Reference:

1) Armstrong, M. *(2009). HR policies procedures and systems. Armstrong's Handbook of Human Resource Management Practice, 11th ed., 985-1015.*
2) Bebbington, J. *(2001). Sustainable development: A review of the international development, business and accounting literature. Accounting Forum, 25, 128–157.*
3) Berrone, P., & Gomez-Mejia, L. R. *(2009). Environmental performance and executive compensation: An integrated agency-institutional perspective. Academy of Management Journal, 52(1), 103-126.*
4) Boselie, P., Paauwe, J., & Jansen, P. *(2001). Human resource management and performance: lessons from the Netherlands. International journal of human resource management, 12(7), 1107-1125.*
5) Cherian, J., & Jacob, J. *(2012). A study of Green HR practices and its effective implementation in the organization: A review. International Journal of Business and Management, 7, 25–33.*
6) Daily, B. F., Bishop, J., & Steiner, R. *(2007). The mediating role of EMS teamwork as it pertains to HR factors and perceived environmental performance. Journal of Applied Business Research, 23, 95–109.*
7) Daily, B. F., & Huang, S. C. *(2001). Achieving sustainability through attention to human resource factors in environmental management. International Journal of operations & production management.*
8) Deshwal, P. (2015). *Green Human Resource Management: An organizational strategy of greening people. International Journal of Applied Research, 1(13), 176-181.*
9) Dutta, S. (2012). *Greening people: A strategic dimension. ZENITH: International Journal of Business Economics & Management Research, 2, 143–148*
10) Fayyazia, M., Shahbazmoradib, S., Afsharc, Z., & Shahbazmoradic, M.R. (2015). *Investigating the barriers of the green human resource management implementation in oil industry, Management Science Letters, 5, 101–108.*

11) Grolleau, G., Mzoughi, N., & Pekovic, S. (2012). *Green not (only) for profit: An empirical examination of the effect of environmental-related standards on employees' recruitment. Resource and Energy Economics, 34(1), 74-92.*
12) Harmon, J., Fairfield, K. D., & Wirtenberg, J. (2010). *Missing an opportunity: HR leadership and sustainability. People and strategy, 33(1), 16.*
13) Huang, T. C. (2001). *The relation of training practices and organizational performance in small and medium size enterprises. Education+ Training.*
14) Haden, S. S. P., Oyler, J. D., & Humphreys, J. H. (2009). *Historical, practical, and theoretical perspectives on green management: An exploratory analysis. Management Decision, 47(7), 1041-1055.*
15) Lin, B., Jones, C. A., & Hsieh, C. T. (2001). *Environmental practices and assessment: a process perspective. Industrial Management & Data Systems.*
16) Lee, K. (2009). *Gender differences in Hong Kong adolescent consumers' green purchasing behavior. Journal of consumer marketing.*
17) Murari, K., & Bhandari, M. (2011). *Green HR: Going green with pride. Journal of Social Welfare & Management, 3(3-4), 35-38. Mandip, G. (2012). Green Human Resource Management: People management commitment to environmental sustainability. Research Journal of Recent Sciences, 1, 244–252.*
18) Mathapati, C. M. (2013). *Green Human Resource Management: A strategic facet. Tactful Management Research Journal, 2(2), 1–6.*
19) Mehta, K., & Chugan, P. K. (2015). *Green HRM in pursuit of environmentally sustainable business. Pursuit of Environmentally Sustainable Business (June 1, 2015). Universal Journal of Industrial and Business Management, 3(3), 74-81.*
20) Opatha, H. H. P., & Arulrajah, A. A. (2014). *Green human resource management: Simplified general reflections. International Business Research, 7(8), 101.*
21) Peattie, K., & Ratnayaka, M. (1992). *Responding to the green movement. Industrial Marketing Management, 21(2), 103-110.*

A study on Sustainable Business Development, Financial Management, & Practices

Prof. Samudre Vishal Balkrishana (SND College Engg. & RC Yeola)

Prof. Pawar Avinash Uttam (SND College Engg. & RC Yeola)

Prof. Kambale Nitish Sharad (SND College Engg. & RC Yeola).

Abstract :

Corporate sustainability significantly affects the benefits that stakeholders receive, which is why an increasing number of financial entities have adopted strategies to streamline their operations in this way. Adopting financial models that have an impact on sustainability tends to give the issue of financial sustainability more traction along with a comprehensive understanding of both opportunities and concerns. Risks and exposure play a significant role in the discussion in a great number of scholarly publications on the subject. Regarding development in both the economic and social spheres, sustainable business practices must also be considered. The effects of financial management on long-term success and advantages that future generations will inevitably enjoy are discussed in this paper for various businesses.

Introduction :

Any business' operations depend heavily on its finances because they determine whether or not it will succeed. Businesses invest in initiatives that they think would address the social issues that are a part of their business module by allocating the proper financial resources. Organizations are motivated to ensure that their business operations produce much more as a result of this worry. Financial management is also a problem for these companies since they must invest in prospects that ensure their ability to become sustainable. Businesses are becoming increasingly interested in ensuring that their operations are as beneficial as possible to the community and other stakeholders. Since the community plays a significant role in their operations, companies must think about strategies that are also advantageous to individuals who are crucial to the business. This strategy enables them to successfully explore chances for competitive advantage, which have an impact on the stability of the firm. Profitability will be one of the organization's primary objectives. As a result, the financial management will employ cost-cutting measures and use the reserve sums to the company's advantage. A broad concept, financial management involves modifying organizational procedures depending on current income and projected expenses. In addition to using financial ideas, there are many other things to take into account. One of the crucial areas to guarantee sustainability and progress is financial management. The study's conclusions, which have been consistent with regard to the drivers of value and how they relate to making financial decisions, include the association as one of its findings. Risk management, which guarantees that uncertainty is dealt with before having an impact on corporate revenues, is closely related to sustainable management. Since corporate management generally takes the future into account, such sustainability policies are essential to success. The function of financial management is discussed in this section when The emphasis is on supporting sustainable business practices and development, with numerous strategies being highlighted.

Literature review :

There are various subjects that connect to financial management from the range of scholarly efforts others have done on sustainability, and these include:

Sustainability and Risk : Risk management is necessary to ensure that the organization is protected against the impacts that risks can have on its operations. When integrated with sustainability, risk management becomes a strategy to ensure that a company's environmental policies are aligned with its profit goals. This approach is the origin of the concept of sustainable risk management (SRM).The SRM framework is built to identify focus areas that directly impact operations, including supply chain and manufacturing. Emerging issues in these areas include market developments such as renewable energy and government policy changes.

Sustainable development goals are increasingly becoming part of the tools companies use. They are directly linked to global sustainability programs, which are at the heart of most businesses. However, there are many risks involved in aiming for the same goal because competitiveness is more focused (Breiki and Nobanee, 2019).On the other hand, responsible growth favors a dynamic nature whereby the management of risks related to sustainable development provides a systematic approach. Performance is impacted because management or the organization may prioritize the most important value chains and metrics for their business module. These measures are closely linked to financial management and are therefore proven to promote sustainable business practices by supporting value.

Sustainable Capital Budgeting : Management can gain greater visibility into sustainable organizational activities based on the impact of accounting activities on development programs. Management tends to use capital budgeting as a control tool when it comes to strategic decisions. There are cases where capital budgeting decisions focus on sustainability. Sustainable business practices must also be considered in terms of developments in the economic and social world. In this report, the impact that the financial management of different organizations undertakes on the long-term success and benefits that other generations will certainly have access to. However, these strategies are applied to ensure that the future activities of the organization are well thought out. Ideally, the capital budget is well managed to ensure that benefits are aligned with the organization's goals.

Management can gain greater visibility into sustainable organizational activities based on the impact of accounting activities on development programs. Management tends to use capital budgeting as a control tool, while strategic capital budgeting is viewed more as a tool related to decision making and financial management. Such decisions are applicable for effective and sustainable investments because they are adaptable to the circumstances in which the program needs to be implemented (Alkaabi and Nobanee, 2019).The reason for such a review is to ensure that the focus is on potential and that the opportunities presented are sustainable. In such a case, capital budgeting is important as it can create measurement and accountability. This tool ensures that sponsors can also compare projects to assess whether they can ensure sustainability of the income generated and growth in terms of reinvestment and future expand

Business Ethics and Finance : Ethical frameworks must be included in the sustainability agenda of organizations and this has the effect of instilling discipline. On the other hand, finance plays a key role in the essential allocation of various tool that are directly related to the economy that surrounds the entire operations of the organization. Together, ethics and finances create an ethical character while continuing to develop its economy. Ethics is associated with responsibility as an important part of an organization's operations. All codes of practice must be followed to ensure that those acting as company representatives present an ethical face. Such an approach demonstrates the fact that social reality is a function of which individual actions are expressed and implied, which is why they are consistent with discrete real actions. The combined use of both paves the way for the concept of a balanced enterprise.

The government is represented by many agencies in order to enforce the ethical rules in the corporate sphere. Since the government's primary responsibility is to the customer, it will take on all of these tasks (Hammadi & Nobanee, 2019). As a result, in order to comprehend the impact on sustainable development as a concern, it is necessary to assess a number of fundamental issues, such as:

a) The inclusion of social and environmental concerns under financial risks - Financial hazards typically cause the most anxiety for business operations since they directly endanger the firms as an entity. To prevent corporate sustainability from interfering with other socially-related sustainable development objectives, the government has proposed that social and environmental risks be recognized as part of financial hazards.
b) The creation of financial tools - These instruments, which may be the most important relationship between ethics and finance, are focused with risk management issues and more recent methods related to the non-financial side of things. Tools designed to address environmental and social liabilities frequently include valuation methods and disclosure requirements that are analogous to those of the financial operation to establish a synchronized measurement process. The government's use of the tools is crucial in addressing the issue and paving the route for sustainable growth.
c) Focus on the financial sector - The ethical alternatives frequently provide parameters within which actions are regarded as legal. The primary obligations that the government places on these dictate that social and environmental implications are crucial to access for a variety of the options that are practical to ensure that we have access to a greater variety of possibilities. The importance of financial discipline for sustainable development suggests that its influence is clear-cut and, as a result, helpful in achieving sustainable company practices.
d) Green investments - Going green worldwide is essential because sustainability is etched towards a cleaner environment and better social responsibility from corporations. Financially speaking, green investments are quite problematic, especially in the 21st century given their futuristic nature. Investments in projects that are only related to environmental preservation are understood to have financial benefits. One way to preserve natural resources is through the use of alternative energy sources and environmental cleanup. These kinds of investments are closely related to the various beliefs that must be functional in forming the stockholders' future stakes.

Taking risks is big part of green investing, even if most of these projects are sustainable. On the other hand, financial management is responsible for risk management. Investors will often invest in green projects of this sort in the hopes of making money because they are risk-averse and prefer investments that can guarantee returns. To determine whether or not an eco-friendly company's practices are sustainable and whether they can lead to development in the future, one will require the expertise of a financial manager or accountant. When such an investment is researched, it will be confirmed that the commitments made are effective and that they engage in "Green" activities.

Discussion : This study findings show which sustainable business practices is most common among companies. Whether global or tiny enterprises, they want to make sure that the development frameworks are put in place as soon as possible because they recognize the importance of corporate growth and aligning with community agendas. The government, rival businesses, the community, and societal responsibility relationships are just a few of the external factors that foster a desire for sustainability. From the inside, management, with the assistance of finance managers or accountants, is best suited to drive the sustainability agenda. All stakeholders—from investors to community welfare to junior to senior workers inside the organization—generally stand to gain from the shift to sustainable business practices.

Funding allocation, including capital budgeting, must be done in tandem with the revenue input they may anticipate. Striking a balance between sustainability and financial yield is necessary since some initiatives may be sustainable but fall short of their potential. However, sustainability is one of the initiatives that the majority of governments have backed, so projects will make sure that these groups have access to government funding and tax breaks. As a result, the likelihood of increased revenue is increased. Improvements in capital budgeting will be needed both in the long-term and the short-term in order to achieve the goal of financial management in promoting sustainable development.

Conclusion : In a nutshell, firms are becoming more concerned with sustainability. Aligning their corporate aims with sustainable development objectives will be the only way to see this through. However, it is still important to ensure that the module they work with contains the required business practices that are aligned with sustainability, even while pushing for the future. The requirement for financial management's input stems from the fact that this increase must be carefully calculated for. Because of the variations in industrial processes, businesses should think about adopting a more proactive financial management strategy.

A broad concept, financial management involves modifying organizational procedures depending on current income and projected expenses. In addition to using financial ideas, there are many other things to take into account. One of the crucial areas to guarantee sustainability and progress is financial management. Setting the proper capacities within which operations must ascertain to be conducted within the social influence that organizations obtain and have to work within emphasizes value to the organization. The use of sustainability decisions to impact future management decisions demonstrates the necessity for both financial management and managerial decision-making. One of the study's findings is the association. This has been consistent with regard to the factors that determine value and how those factors affect financial decisions.

Risk management, which guarantees that uncertainty is dealt with before having an impact on corporate revenues, is closely related to sustainable management. Since corporate management generally takes the future into account, such sustainability policies are essential to success. As a result, the financial management will have some control over the sustainability efforts the company makes. When compared to the alternatives that must be thought of, decisions are easier to make and can be impressive since they have been carefully considered in terms of how they will affect others. The promotion of sustainability in corporate practices and the move towards progress typically comes from financial management.

References :

1. Alkaabi, H., & Nobanee, H. (2019). *A Study on Financial Management in Promoting*
2. *Sustainable Business Practices & Development. SSRN Electronic Journal. doi:10.2139/ssrn.3472415*
3. Breiki, M. A., & Nobanee, H. (2019). *The Role of Financial Management in Promoting Sustainable Business Practices and Development. SSRN Electronic Journal. doi:10.2139/ssrn.347240*
4. Alhadhrami, A., & Nobanee, H. (2019). *Sustainability Practices and Sustainable Financial Growth. SSRN Electronic Journal. doi:10.2139/ssrn.347241*
5. Hammadi, F. A., & Nobanee, H. (2019). *Sustainability and Corporate Governance: A Mini- Review. SSRN Electronic Journal. doi:10.2139/ssrn.3500885*

The Study on the E-Banking Services in India

Mr. Bharat Bagul

Assistant Professor, Dept. of Accountancy

B. K. Birla College (Autonomous), Kalyan

E-mail : bharatbagul9949@gmail.com

Abstract:

Today is the era of electronic and technology. In every field of the economy of every nation across the globe digitalization, application of electronic sources and technology for quick and smooth functioning of organizations is became mandatory. Banking sector in the economy of every country is one of the major sectors operating for exchange of money. Banking sector in India is the key-player in Indian economy. As an impact of electronic and technology, many banks in India have adopted the e-banking services. These banks have availed the e-banking services to their customers, which enables the customers quick banking operations, payments and receipts of money etc. Banks and their customers are mutual dependent. Thus, the digitalization in banking sector has brought smooth functioning of banking operations. This research paper aims at to understand the concept of E-banking and to make an analytical study of progress of e-banking services and to understand the risk factors involved in e-banking services in India. This study is based on the secondary data.

***Keywords**: E-banking, Digital Payments and Settlement Systems*

Introduction:

The process of liberalization and globalization started in India from the last decade of the 20th century, i.e. from 1991 onwards. It had an impact on the banking sector resulted into emerge of e-banking. Information and technology has brought about a drastic change in the banking sector. Today, banks are successfully providing services like deposit acceptance, withdrawal, money transfer, payment etc. through electronic mediums. Banks of any country are providing banking services globally through e-banking. Today in the age of information and technology everyone is connected through the internet and the number of electronic transactions is increasing day by day. E-banking facility has increased the availability of foreign funds and mobility in its investment. With the emergence of e-banking services, bank customers are settling their transactions quickly. E-banking services have increased the ease of transactions and also increased number of transactions. Therefore, e-banking is a major tool for the development of modern Indian economy.

Objective :

1. To study and understand the concept of E-banking.
2. To analyze the progress of E-banking services provided by banks.
3. To understand the risks involved in e-banking services.

Literature Review :

(2010) Aniela Raluca Danciu, Zizi Goschin, Mihaela Gruiescu have studied e-banking services as an element of e -business and the study revealed that Modern e-banking has remarkable place in economy and it is one of the major part of e-economy and contribute significantly to increase profits from banking operations.

(2021) Mrs. Ani Smriti and Mr. Rajesh Kumar conducted study on present status of e-banking in India and it has revealed that e-banking is a significant aspect of the development of the banking sector and Indian banking sector can develop customer loyalty towards the banking sector.

Data Sources : This research paper is based on the secondary data collected from research papers published in national and international journals, articles, statistical data published by Reserve Bank of India and other institutions, websites, etc.

Concept of e-banking :

E-banking : E-banking is referred as to operate banking products and services through electronic and telecommunication network. E-Banking stands for “Electronic Banking”. The banking services which are availed with the help of electronic media sources and internet connectivity are called e-banking.

Features of E-Banking:

a) Secure: E-banking is a secure system for completing banking transactions. Because this system is activated and operated with the help of password.
b) Convenient : E-banking method is easy to understand and use. Because guidelines are available to complete each transaction. Banking operations can also be completed using mobile.
c) Online Document Compliance: E-banking system has provided facility to customers to complete banking documentation online.
d) Ease of access: E-banking makes it easy to access financial and non-financial banking products / services and get information about related banking services.
e) Easy Access to Bank Account: A bank account holder can access the bank account anytime and from any place and can check the information related to his account. E.g. Bank balance, last transaction, statement etc.

f) NEFT, RTGS, IMPS Transactions: Funds can be transferred online anytime through NEFT (National Electronic Funds Transfer), RTGS (Real Time Gross Settlement), IMPS (Immediate Payment Service) services through e-banking.

g) Bill Payment: Customers can make quick payment of various bills through e-banking system. E.g. Electricity bill, telephone bill etc.

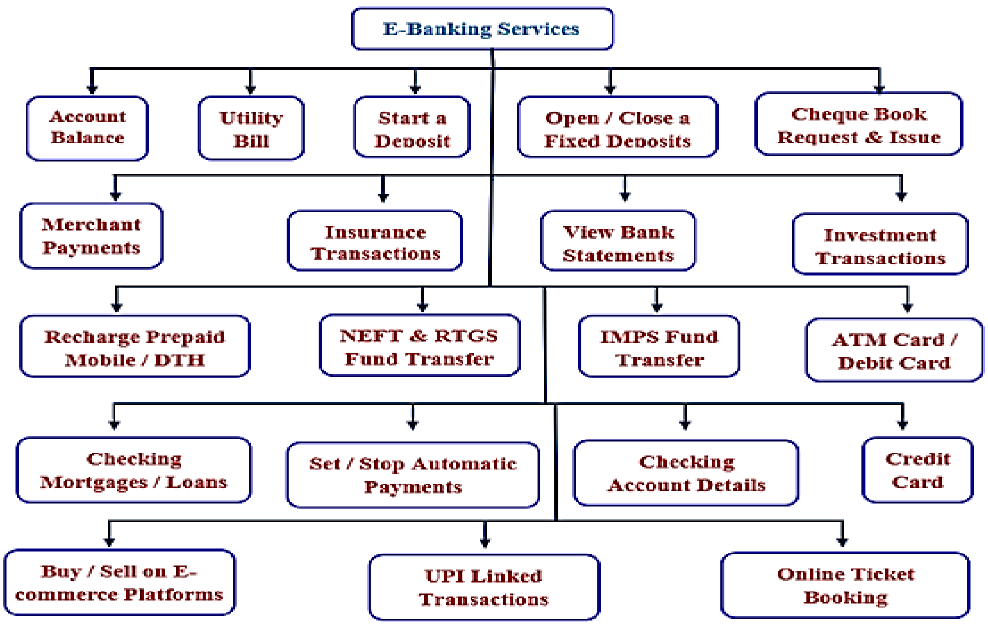
h) Automatic Payments Service: Customers can enable or disable the automatic payments service through the e-banking system.

i) UPI Linked Banking Services : This is most popular way of using e-banking services. UPI (Unified Payments Interface) account of Account holder is connected to his Bank Account. It facilitates quick payments by scanning QR code (Quick Response code) through smart mobile phone. Bhim App, Phone Pay, Google Pay, Paytm, MobiKwik etc. mobile applications are UPI linked mobile applications used commonly in recent days.

j) Payment of loan installments: E-banking provides the facility of online repayment of loan installments through ECS (Electronic Credit System) service.

k) Various types of account opening: E-banking facility provides the customer with the facility of opening an account like Savings Account, Current Account, Recurring Deposit Account, Loan Account etc. online.

Services offered under E-banking :



**Source : Complied by Author*

Apart from above mentioned services currently many banks are facilitating variety of e-banking platforms for online banking procedures and transactions.

Operating Procedure of E-banking Transaction :

Internet banking identifies a specific set of technical solutions for the development and delivery of financial services, which depends on the open architecture of the Internet. With the implementation of internet banking system, banks have direct relationship with end users. Through the web and are able to provide personal, by offering additional, customized services featured in the interface.

The user should first get the user ID and password and use it to avail the e-banking service. After entering the user ID and password on the bank's website, its validity is checked. If the user ID and password match then the user can successfully log in to the internet banking system. Otherwise, the user gets a response from the e-banking system as "Invalid User". After accessing the internet banking process, the user can access various services online such as balance enquiry, fund transfer, online bills, interest accrued, fee and tax payment, transaction details of each account, credit card and home loan balance, fund transfer, deposit account opening.

PIN number and mobile code are used together for security of net banking transactions. During online transaction, One Time Password (OTP) is generated by online banking system and sent to user's registered mobile / email through SMS. The online transaction is authorized only after entering the said OTP.

In short, today e-banking facility is becoming popular as a secure service.

Digital Payments and Settlement Systems :

In India current payment and settlement system is dominated by technology and innovation based tools. In the current global payments arena it has not only accelerated the development in payment system but also facilitating safe, secure, innovative and efficient payment systems. Reserve Bank of India has recently undertaken initiatives emphasizing on technology-based solutions for the improvement of the payments ecosystem. It is based on the five pillars; integrity, inclusion, innovation, institutionalisation and internationalisation, as envisaged in the Payments Vision 2025 (RBI). Enhancements to Unified Payments Interface (UPI) was launched in March 2022 to enable users having mobile phones to make UPI payments. The access to UPI transactions is allowed through four options viz., (i) app-based functionality, (ii) missed call, (iii) interactive voice response (IVR), and (iv) proximity sound-based payments. It has facilitated access to UPI for more than 40 crore feature phone subscribers in the country. In September 2022, UPI Lite was introduced to facilitate low value transactions in offline mode through an on-device wallet feature. The Reserve Bank of India also allowed linking of credit cards to the UPI network in June 2022. The Reserve Bank of India has permitted customer authorisation using UPI with settlement of transactions through the ATM network in May 2022.

Table 1 : Payment System Indicators – Annual Turnover (April-March)
(Volume in 'Lakh'; Value in 'Lakh)

Item	2018-19		2019-20		2020-21		2021-22		2022-23	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value	Volume	Value
A. Settlement Systems										
CCIL Operated Systems	36	1165.51	36	1342	28	1619.43	33	2068.73	41	2587.97
B. Payment Systems										
1. Large Value Credit Transfers - RTGS	1366	1356.88	1507	1311.56	1592	1056.00	2078	1286.58	2426	1499.46
Retail Segment										
2. Credit Transfers	118750	260.98	206661	285.72	317868	335.04	577935	427.28	983695	550.12
2.1 AePS (Fund Transfers)	11	0.01	10	0.00	11	0.01	10	0.01	6	0.00
2.2 APBS	15032	0.87	16805	0.99	14373	1.11	12573	1.33	17898	2.48
2.3 ECS Credit	54	0.13	18	0.05	0	0.00	0	0.00	0	0.00
2.4 IMPS	17529	15.90	25792	23.38	32783	29.41	46625	41.71	56533	55.85
2.5 NACH Credit	9021	7.36	11406	10.52	16465	12.17	18758	12.82	19267	15.44
2.6 NEFT	23189	227.94	27445	229.46	30928	251.31	40407	287.25	52847	337.20
2.7 UPI	53915	8.77	125186	21.32	223307	41.04	459561	84.16	837144	139.15
3. Debit Transfers and Direct Debits	6382	6.56	8957	8.26	10457	8.66	12189	10.34	15343	12.90
3.1 BHIM Aadhaar Pay	68	0.01	91	0.01	161	0.03	228	0.06	214	0.07
3.2 ECS Debit	9	0.01	1	0.00	0	0.00	0	0.00	0	0.00
3.3 NACH Debit	6299	6.54	8768	8.24	9646	8.62	10755	10.27	13503	12.80
3.4 NETC (Linked to Bank Account)	6	0.00	97	0.00	650	0.01	1207	0.02	1626	0.03
4. Card Payments	61769	11.97	73012	15.36	57787	12.92	61783	17.02	63345	21.52
4.1 Credit Cards	17626	6.03	21773	7.31	17641	6.30	22399	9.72	29145	14.32
4.2 Debit Cards	44143	5.93	51239	8.05	40146	6.61	39384	7.30	34199	7.20
5. Prepaid Payment Instruments	46072	2.13	53318	2.16	49366	1.97	65783	2.79	74667	2.87
6. Paper-based Instruments	11238	82.46	10414	78.25	6704	56.27	6999	66.50	7088	71.63
Total – Retail Payments (2+3+4+5+6)	**244211**	**364.10**	**352362**	**389.74**	**442180**	**414.86**	**724689**	**523.94**	**1144138**	**659.04**
Total Payments (1+2+3+4+5+6)	**245577**	**1720.98**	**353869**	**1701.31**	**443772**	**1470.86**	**726767**	**1810.52**	**1146563**	**2158.50**
Total Digital Payments (1+2+3+4+5)	**234339**	**1638.52**	**343455**	**1623.06**	**437068**	**1414.58**	**719768**	**1744.01**	**1139476**	**2086.87**

**Source : Compiled by Author from Statistical Data Published by RBI on its Website.*

[CCIL - The Clearing Corporation of India Ltd., IMPS - Immediate Payment Service, RTGS - Real time gross settlement, NACH - National Automated Clearing House, AePS - Aadhaar Enabled Payment System, NEFT - National electronic funds transfer, APBS - Aadhaar Payment Bridge System, UPI - Unified Payments Interface, ECS - Electronic Credit Transfer, NETC - National Electronic Toll Collection]

It is observed that the volume as well as the value of digital transactions is continuously increasing significantly since 2018-19. After Covid lockdown e-banking transactions uplifted drastically. Online credit transfer, UPI payments and Card (Debit + Credit) transactions are the key indicators in e-banking sector having higher share in total.

Table : 2 Authorisation of Payment System Operators (end-March)

Entities	2019	2020	2021	2022	2023
A] Non-Banks – Authorised					
PPI Issuers	47	43	36	37	36
WLA Operators	8	8	4	4	4
Instant Money Transfer Service Providers	1	1	1	1	1
BBPOUs	9	9	8	9	10
TReDS Platform Operators	3	3	3	3	3
MTSS Operators	9	9	9	9	8
Card Networks	5	5	5	5	5
ATM Networks	2	2	2	2	2
B] Banks – Approved					
PPI Issuers	61	56	56	57	58
BBPOUs	39	37	42	43	44
Mobile Banking Providers	490	547	566	648	725
ATM Networks	3	3	3	3	3

*Source : Compiled by Author from RBI Statistical Data.

[PPI - Prepaid Payment Instruments, WLA - White Label ATM, BBPOUs - Bharat Bill Payment Operating Units, TReDS - Trade Receivables Discounting System, MTSS - Money Transfer Service Schemes]

It is observed that the number of non-bank PPI issuers reduced from 47 to 36 since 2019-20 to 2022-23, That of in case Bank approved PPI issuers are reduced in small numbers. Number of Mobile Banking Providers increased significantly as the impact of increased users of smart mobile phones. In case of other PSOs no significant changes found.

Risk Factors in E-banking Transactions

A major key factor for rapid growth of e-banking sector across the globe is its acceptance as an extremely cost-effective delivery channel of banking services However, it has brought about a new orientation to risks and even new forms of risks. Following are the major risks facing E-banking services:

a) Operational / Transactional Risk:

- This risk arises due to inaccurate processing of transactions, non-enforceability of contracts, compromises in data integrity, data privacy and confidentiality, unauthorized access / intrusion to bank's systems and transactions etc. Such risks can arise out of weaknesses in design, implementation and monitoring of banks' information system, inadequacies in technology, negligence by customers and employees, fraudulent activity of employees and crackers / hackers etc.

b) Security Risk:

- Internet facility is public and facilitates unrestricted access. Banks are using this medium for financial transactions. Controlling access to banks' system has become more complex in the Internet environment There must have a secured environment for such transactions.
- Security risk arises due to unauthorized access to a bank's information like as accounting system, risk management system, portfolio management system, etc. A breach of security may harm the bank with direct financial loss as well as loss of important database, loss of reputation. Therefore, access control has a paramount importance in providing security for transactions.
- Banks may be suffered from security risk from internal sources e.g. employee fraud as employees are more familiar with different can manage to acquire the authentication data in order to access the customer accounts.
- All banking data / information which in in the flow over the Internet can be monitored or read by unauthorized persons if it is not protected specifically.
- Banks must facilitate Quick Alert system and Proper access control in case if the data altered by unauthorised sources. Another important aspect is whether the systems are in place to quickly detect any such alteration and set the alert.
- Banks must have user authentication control system for e-banking transactions to idenify the person making a request for a service or a transaction as a customer. A computer connected to Internet is identified by its IP (Internet Protocol) address. There are methods available to masquerade one computer as another, commonly known as 'IP Spoofing'. Likewise user identity can be misrepresented.
- Banks' system must well equipped to handle non-repudiated communication between two bank and unauthorised person, which cannot deny later.

c) System Architecture and Design Risk :

- Such type of risk arises because of wrong choice of technology, improper system design and inadequate control processes. Hence, the banks' must be facilitated with an appropriate system architecture and control systems.

- Risk of adopting an outdated, not scalable or not proven technology may results in investment loss, a security risks and also risk of loss of business.
- Relying upon on outside service providers adds to the operational risk. The service provider gains access to all critical business information and technical systems of the bank, thus making the system vulnerable. Hence the reliable vendor to be selected.
- Non-updated system of bank may led to operational risk because it leaves holes in the security system of the bank.

d) Reputational Risk:

- These risks are related with the significant negative public opinion, may result in a loss of loss of public confidence in the banks' ability to perform its critical functions or breaking the relationship with customers. Such risks may arise from banks' own action or due to action by outside party.
- The bank may lost its customers due to its online system not working to the expectations of the customers, deficiencies in system, significant breach of security breach from internal and external reasons, provision of insufficient information about use and utility of bank product and problem resolving procedures, improper communication networks, etc.
- Customers can observe other similar banks services also. If that similar bank is offering same type of services, customers may be misguided with inaccurate information about bank products.
- The bank may suffer from problems regarding system and data integrity initiated by virus.
- A bank must have competent measures to test prior to initiating the system for keeping it safe from virus attacks. The data system must be facilitated with back-up facilities, contingency plans including plans to address customer problems during system disruptions, virus checking, deployment of ethical hackers for plugging the loopholes and other security measures.

e) Legal Risk :

- The chance of Legal risk may arise from establishing improper legal rights and obligations, violation of laws, rules, regulations, or prescribed practices etc.
- Legal risk may cause due to uncertain and ambiguous applicability of laws and rules.
- Uncertainty about validity of electronic media based agreements and law regarding customer disclosures and privacy protection, a customer not informed adequately

about his rights and obligations may ignore precautions regarding use of Internet banking products or services, etc.

- If the bank has linked its website with other / third party sited for customers purpose may cause legal risk. Further, a hacker may use the linked site to defraud a bank customer.
- In case of banks playing role to authenticate digital certificate with given signature which is generated by a given signer, for any loss arising from the same bank is held responsible.

f) Money Laundering Risk :

- Banks may expose to the money laundering risk. For overcoming this risk banks need to design proper customer identification and screening techniques, develop audit trails, conduct periodic compliance reviews, frame policies and procedures to spot and report suspicious activities in Internet transactions.

g) Cross Border Risks :

- These risks are connected with the geographic reach of banks and customers. Banking market expansion can extend beyond national borders. This causes various risks.
- Risk may arise from legal and regulatory non-compliance under national laws and regulations, including consumer protection laws, record-keeping and reporting requirements, privacy rules and money laundering laws.
- The Bank may not have right to monitor its banking affairs if it is using a service provider situated in another country risk. The foreign-based service provider or foreign participants in Internet banking may lead to the risk of not fulfilling the obligations due to economic, social or political factors.
- Banks exchanging foreign currencies in electronic form, may suffer from market risk due to changes in foreign exchange rates.

h) Strategic Risk :

- This risk is pertained to introduction of a new product or service. It depends upon development of a business plan, availability of sufficient resources to support this plan, credibility of the vendor in case of outsourcing and level of the technology used in comparison to the available technology etc. This risk can be reduced by conducting proper survey, experts advices, setting achievable goals monitoring the performance. It can be avoided by analysing the availability and cost of additional sources, use of sufficient trained staff having proper skill and adequate insurance coverage.

i) Other Risks :

- These risks are related to credit, liquidity, interest rate and market situation. These risks get affected from changing nature of Internet banking in terms of use of electronic channels as well as absence of geographical limits.
- Improper evaluation of customer while extending credit through remote banking procedures, may cause to the credit risk.
- Electronic money transfer in e-banking may bring risks in case of redeeming electronic money.
- Bank may subject to Liquidity Risk which arises from banks inability to meet its obligations when become due without incurring unacceptable losses, even though the bank may ultimately be able to meet its obligations.
- Banks may face interest rate risk because of adverse movements in interest rates causing decrease in the value of assets relating to outstanding electronic money liabilities.
- Banks also face market risk because of losses in on-and-off balance sheet positions arising out of movements in market prices including foreign exchange rates.
- Thus, with the ample benefits, e-banking is subjected to various risks for bank itself as well as banking system as a whole.

Conclusion : E-banking is an revolution in the era of internet and technology. I has definitely brought a lot of harmony in banking sector of economy. As it uses electronic devices and internet connectivity, it requires familiarity with operational aspects. It has speeded up the banking operations and reduced the unwanted human interference to certain extent in banking transactions. It has become very common for the public because of use of mobile phone for operating digital transactions. Although e-banking system has brought ease of banking operations, but it is subjected to various risks. The Bank as well as bank - customers have to take utmost care while executing online transactions or providing information. However, e-banking is under establishment in India. Particularly in rural areas the ratio of users is very less due to banking illiteracy.

References:

1. RBI. (2023, October). *Annual Report 2022-23. Retrieved from rbidocs.rbi.org.in: https://rbidocs.rbi.org.in/rdocs/AnnualReport/PDFs/0ANNUALREPORT20222322A548270D6140D998AA20E8207075E4.PDF*
2. Khan, D. H. (2017). *E-Banking: Benefits and Issues. American Research Journal of*

Business and Management, Volume 3,(Issue 1). Retrieved from https://arjonline.org/papers/arjbm/v3-i1/2.pdf

3. Mrs. Ani Smriti, M. R. (2021). *Present Status of E-banking in India : Challanges and Opportunities. International Journal of Creative Research Thoughts (IJCRT), Volume 9, (Issue 9 September 2021). Retrieved from https://ijcrt.org/papers/IJCRT2109067.pdf*
4. PWC. (2023, October). *Indian Payments Handbook.Retrieved from www.pwc.com: https://www.pwc.in/assets/pdfs/consulting/financial-services/fintech/payments-transformation/the-indian-payments-handbook-2020-2025.pdf*

Cooperative Finance System in India

Dr. Prakash R. Rodiya, Asst. Prof. Dept. of Commerce,
Rajarshi Shahu Mahavidyalaya, (Autonomous), Latur,
Email : prakashrodiya123@gmail.com Mobile: 8857892979,
Affiliated to SRTMU, Nanded

Abstract:

Banking and Finance endeavour has satisfied wonders for the sector economy. The straightforward looking machine of tolerating plutocrat deposits from saviours conjointly progressing the same plutocrat to borrowers, keeping money effort energizes the deluge of plutocrat. This in turn grants the frugality to develop. Interior the nonappearance of managing an account endeavour, money related investment funds would sit down. Sit still in our homes, the marketers might now not be in a position. Move forward the plutocrat, ordinary individuals advertising for a modern auto. The authorities of India begun the collaborative development of India in 1904. Also the authorities as a result decided to grow the cooperatives as the group manager to assault the issue of usury and peaceful duty, which has come a revile Populace. In any such circumstance collaborative banks work as a balancing middle.

Key words: *Rural Development, Atmanirbhar Bharat, Skills. Cooperative Banking*

Introduction:

Co-operative banking and financial system are small-sized gadgets structured within the co-operative zone which work together in urban and non-urban regions. Those banks are verifiablycantered on communities, localities and work putorganizations and they essentiallyloan to small borrowers and organizations. The term urban Co-operative Banks, in spite of the fact thatnow notauthoritativelyportrayed, alludes to number one cooperative banks found in urban and semi-city locales. Those banks, until 1996, may need to easiestloan for non- agricultural capacities. As at allow up-March 2011, there have been 1,645 Cooperative banks running within the USA, of which lion's share had been non- scheduled banks. In addition, whilelarger part of the Cooperative banks were operating inside a single kingdom, there were 42 Cooperative banks having operations in numerous state. Indeed as the Co-operative banking and financial system in rural regions especiallybackruralbasically based exercises along with farming, animals, drain, incubator, individualfund, etc.

Purpose of the Study :

- To know the loaningpattern of Cooperative banks and financial system in India.
- To degree and look at the proficiency of Cooperative banks and financial system of India.
- To watch the impact of effectiveness of the Cooperative banks and financial system.
- To imply the perfect measures to progress the performance of the Cooperative banks and financial system.

Research Methodology :

The present deals with the Primary and Secondary Data. The primary data has been collected from the use of questionnaire and secondary data have been collected from the News Papers, Journals and Books.

Sampling :

For the study purpose the required information have been collected from the 50 customers of the Cooperative banks of Latur City.

Literature Review :

Singh and Singh (2006) :

He studied the budget administrationwithin theAreacritical Co- operative Banks of Punjab with specificassociation with the assessment of financial margin. It cited that distant higher share of possess budget and the recuperationstresses have brought about in the multiplied edge of the central Co-operative banking and financial system and in this way had a greaterarrangement for non-acting assets.

Campbell (2007) :

He cantered on the relationship between nonperforming advances and bank disappointment and contended for a capable bank bankruptcy law for the anticipation and control of NPI for developing and transitional economies as those were enduring extreme problems due to NPI.

Customer's preference for the Loan :

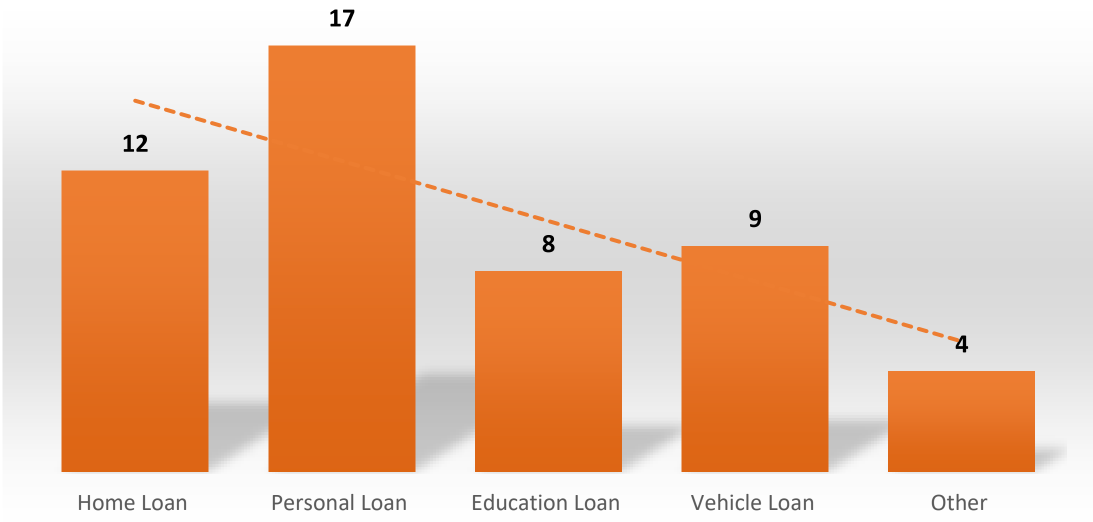
Type of Loan	No. Of Respondent	%
Home Loan	12	**24**
Personal Loan	17	**34**
Education Loan	08	**16**

Vehicle Loan	09	**18**
Other	04	**8**
Total	**50**	**100**

(**Source** : Primary Data, 2020-21)

From the Present study it is clear that majority of the respondents have taken personal loans & home loans and less respondents prefer educational and vehicle loans.

Customer's preference for the Loan



(**Source**: Primary Data, 2020-21)

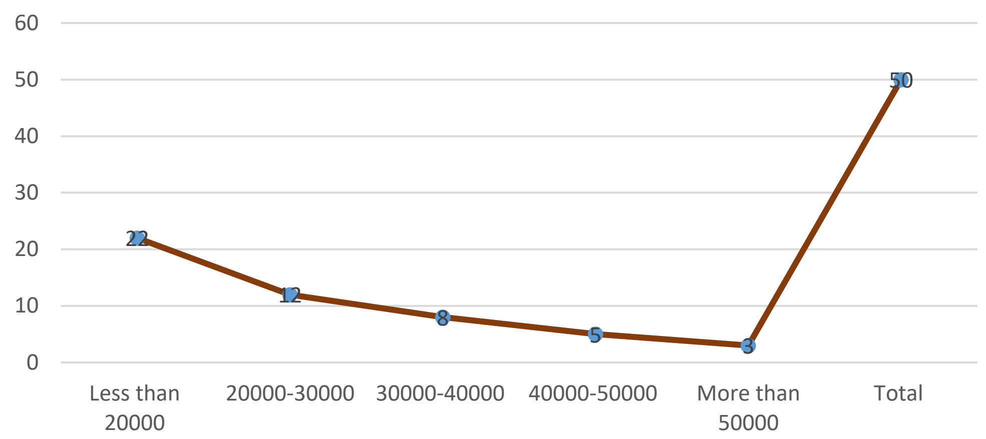
Size of the Loan Taken

Size of the Loan	No. Of Respondent	%
Less than 20000	22	**44**
20000-30000	12	**24**
30000-40000	8	**16**
40000-50000	5	**10**
More than 50000	3	**6**
Total	**50**	**100**

(**Source**: Primary Data, 2020-21)

From the Present study it is clear that majority of the respondents have taken loan below Rs. 20000 and less respondents have taken loan more than Rs. 50,000.

Size of the Loan Taken



(Source : Primary Data, 2020-21)

Duration for Loan taken

Term of the Loan	No. Of Respondent	%
Less than 1 year	17	**34**
1-2 years	12	**24**
2-3 years	10	**20**
3-4 years	4	**8**
More than 4 years	7	**14**
Total	**50**	**100**

(Source : Primary Data, 2020-21)

From the Present study it is clear that majority of the respondents have preferred less than 1 year term for repayment and less respondents have preferred 3-4 years for repayment.

Durationfor Loan taken

(Source : Primary Data, 2020-21)

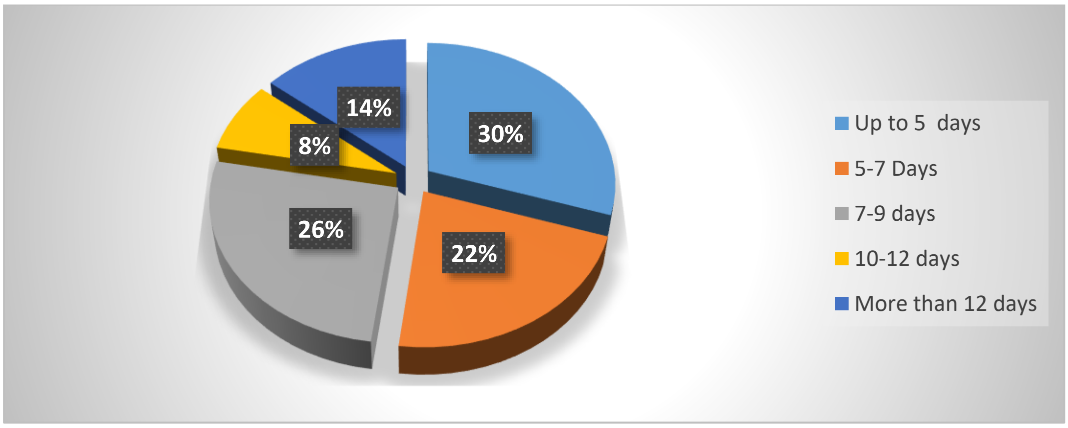
Average time taken by bank for Loan Processing

Avg. Time	No. Of Respondent	%
Up to 5 days	17	**34**
5-7 Days	12	**24**
7-9 days	10	**20**
10-12 days	4	**8**
More than 12 days	7	**14**
Total	**50**	**100**

(**Source**: Primary Data, 2020-21)

From the Present study it is clear that majority of the respondents have replied that their loan was sanctioned by the bank within 5 days and less number of respondents have replied that their loan was sanctioned between 10-12 days.

General process of bank for Loan approval



(**Source** : Primary Data, 2020-21)

Order for the service provided

Avg. Time	No. Of Respondent	%
Excellent	15	**30**
Good	14	**28**
Average	18	**36**
Poor	3	**6**
Worst	0	**0**
Total	**50**	**100**

(**Source** : Primary Data, 2020-21)

From the Present study it is clear that majority of the respondents have replied that they got excellent service from the bank and less number of respondents have replied that the service provided was poor.

Findings of the Study :

- Majority of the respondent were having home loan and personal loan from the Cooperative bank.
- Most of the people preferred to take short term loan from theCooperative bank.
- The cooperative bank has followed the simple procedure to sanction loan.
- Easy repayment formalities are offered by the Cooperativebank.
- Good services provided by the Cooperative bank to its customers.
- Customers are found pleased with the Cooperative Banking and Finance services.

Conclusion :

The banks should provide Banking and Finance services by the use of modern techniques. The banks should plan to introduce the attractive schemes to catch new customers. The banks should plan for the offering of Modern services to the more number of people through branches expansion. The banks should improve the customer's services by the application of Modern techniques.

References:

- Geeta Sharma (2006), *co- operative banks of Maharashtra* ", *management Publications, Pune, Vol. 5, issue four*.
- Harish Kumar (2008), *"Cooperative Banks in India", Vikas publishing house Pvt. Ltd. (India), 60-64.*

Corporate Social Responsibility is important tool for achieve substantial development goal in India.

Miss. Kalyani Rambhau Bhalerao
Mail ID- kalyanibhalerao82@gmail.com Contact No-7218470065

Abstract:

The corporate social responsibility (C.S.R.) is not a new concept as well as their glorious history in India. It was earlier applied as corporate philanthropy and has been practiced in India for centuries. However, in the modern, globalized India, philanthropy does not solve the problem of quantity and quality. C.S.R. is based on the principle something given return back to the society. At the global level, corporate social responsibility has improved significantly, strengthened and raising awareness in the company and society. India is the first country which make C.S.R. mandatory under the company Act 2013. The purpose of this study is to examine the focus areas of major India Company that contribute some proportion their profit for C.S.R activities. Study is based on secondary data for the year 2021-22. This study analysis C.S.R. spending pattern of different states in India and top ten India C.S.R contribution companies across various categories such as education, health, environment, women Empowerment, Rural Development and other different categories.

Key Words: *Corporate Social Responsibility, Philanthropy, mandatory C.S.R, Company Act 2013.*

Introduction :

India is not a country that has recently adopted the concept of C.S.R. C.S.R is founded on the idea of doing something for the community. Charity and philanthropy are deeply rooted in the Indian society and culture, where are portion of income is donated for the social and community welfare. All religions literature support the CSR. The Hindu Muslim, and Sikh call it Dharmada, zakaat, and Dasvandh respectively. After independence of India there are different company in India established. Is first country to make the C.S.R mandatory. In the 1990s, with the liberalisation and globalisation of the Indian economy, there are increase the competition between company so Industries was growing realization of the need for business to contribute to social development . Many Indian company began to the engaging CSR voluntary .Ministry of Corporate Affairs (MCA) issued the national voluntary guidelines on C.S.R in 2011, which encourage business to adopt the responsible business practice and contribution to society. Later Company Act 2013 introduction the CSR for the company which have net worth of Rs. 500 crore or more, or turnover of Rs. 1000 crore more or, a net profit of Rs 5 crore or more during the immediately preceding three years to spend 2% of the average net profit on CSR activities. For long-term sustainability, commercial expansion, and the growth of the global economy, corporate social responsibility is crucial. This article examines the top ten industries in India and their noteworthy contributions to CSR, highlighting their dedication to ethical and sustainable business practices and their good effects on the environment and society.This article explore the notable contribution of top 10 Indian industry, state's gain towards C.S.R showcasing their commitment to sustainability ethical practices, and making a positive impact on society and environment.

Literature review

Prashant pareek :- Corporate social responsibility is a important part of company which help to build the image., Such as increase goodwill, branding, risk, minimization, consumer and employee satisfaction, CSR is positively impact on Organisation and society.

Anupam Singh and Dr. Priyanka Verma:- (2014)CSR is not new concept it's has been practice in India since ages. India became the first country in the world to make CSR spending compulsory. As per the company 2013, company annual turnover Rs,1000 billion or more or net worth of Rs. 500 billion or more or net profit of Rs. 5 billion having to spend at least 2% of their average net profit immediately preceding previous three financial year on the CSR activity.

Jayadev Satapathy and Tattwamasi paltasingh (2019): -According to the finding of this study in India CSR not new their glorious history. This study observed that in India different religions supports the CSR activities they give the some part of their income for charitable purposes. Charity and philanthropy were deeply embedded in Indian society and culture in which part of the earning are donated for social well-being and community welfare.

Vethirajan C and Ariyadevi N (2020):- Corporate Social Responsibility has improved tremendously more strengthened and being aware of all companies as well as the public. They observe that how the industries socially responsible since the amendment Act enacted in India by the various thematic development areas and Schedule VII of the Company Act of 2013 governs C.S.R. activities.

Objective of the study

1. To study the history of C.S.R in India and how the government has introduced legislation C.S.R make it mandatory for business.
2. To study about the C.S.R. activities that some well - know top ten India firm are

involved in.

3. Utilizing Schedule VII of the 2013 Company Act, an examination of C.S.R. spending at the state level was conducted.

Data collection and methodology

This stud's main aim is to understand different sectors C.S.R expenditure in India. For this purpose sampling method, use for analysis total of top ten C.S.R contributing companies, top C.S.R. contributing states have been selected and descriptive research design has been used to meet the objectives. This data is based on the information collected by secondary sources such as News Papers, Articles, Annual Report, Online Journal, many Websites, C.S.R Box portal, Research Paper etc.

Journey of CSR in India

C.S.R is the not new concept in India, which is traced from ancient period. Mostly all religions literature support the concepts of corporate social responsibility. In Hindi they are follow the different concepts for the charitable purposes, like Dharmada, Dhana which is consider the source of punya, prayaschita and karuna it has been referred in various Hindue literature like uponishadas, Vedas, manusmriti, bhagwad Gita, and Mahabharat.

Kautilya, the ancient India teacher, philosopher, economist, jourise and royal advisor had deep root understanding C.S.R. Kautilya Arthashtra also suggested that a king should not have self - interest happiness and joy for himself his satisfaction upon the welfare his people. This is similar advice referred in Shanti parva of the Mahabharat, where in public satisfaction is to be accorded precedence more than leader interest.

In the Islam religion should donated some part of one's earning to the poor and needy people. Every year Muslim paid Zakaat for the purpose of gain blessings from Allah. In Christmas New Testament suggest that every Christmas give 10% of their income for charity purposed. And in similar way the Sikh religion has never forgotten to spread the message of charity through the concepts of Dasvandh contained in the philosophy of Guru Nanak. This means individual contributing one-ten of their income for charitable and welfare purpose. In the Judaism highest form of love is helping the poor by lending them money, involving them in business or employing them. In all religions the act of giving was not aimed at violating the dignity of the disadvantaged group, but at helping them earn a living, and uphold the moral value of the society.

Later, in 1900s Western industrialisation came to India through the British and under their influence famous business families like Tata, Birla, Bajaj, Godraj, Shri Ram and Mahindra started indigenous industrialisation in India. During independence movement Gandhian philosophy of trusteeship was bourn. Mahatma Gandhi philosophy of trusteeship is closely related to the concept of corporate social responsibility (CSR). Gandhi believe in the idea that wealth and resources should be managed and used for the benefit of the society rather than for personal gain. CSR initiatives, as inspired by Gandhi's philosophy encourages company positively to society by addressing social and environment chally. It encourages business to act as responsible Trustees of their resources for the greater good of society. Gandhian philosophy of trusteeship promoted many Indian industrialists to play an important role in nation building and promoting social - economic development in India and foreign.

After independence (1960-80), Jawaharlal Nehru became the prime minister of the India. At that time country was face socio- economic challenges. Nehru along with his economic advisor to bring change in the pattern of Indian economy. The elements of 'mix economy ' emergence of public sector undertakings (PSUs) and law relating Labour and environment standard was bone. But there are several barriers in the economic policy such as high taxes, share and license system restrictions on private section results in corporate malpractices. So mushrooming growth of PSUs in this time. Subsequently PSUs did not prove to successful.

In early 1990s, the country suffered a major currency crisis. At this time P.V. Narsimha Rao and his visionary finance Minister Dr. Manmohan Singh has been occured several rectifications. The India adopted L.P.G policy so consequences exposure of India companies to global competition. The several restriction in the India economy were removed to make the country destination in Trade and business. So the increase the competition in the industry sector. At this time company realised that cannot protect their economy by leaving people around them in vulnerable situation. They started taking care of the local communities alternatively this helps to company to create good image which boost their profitability and ensure long-term success.

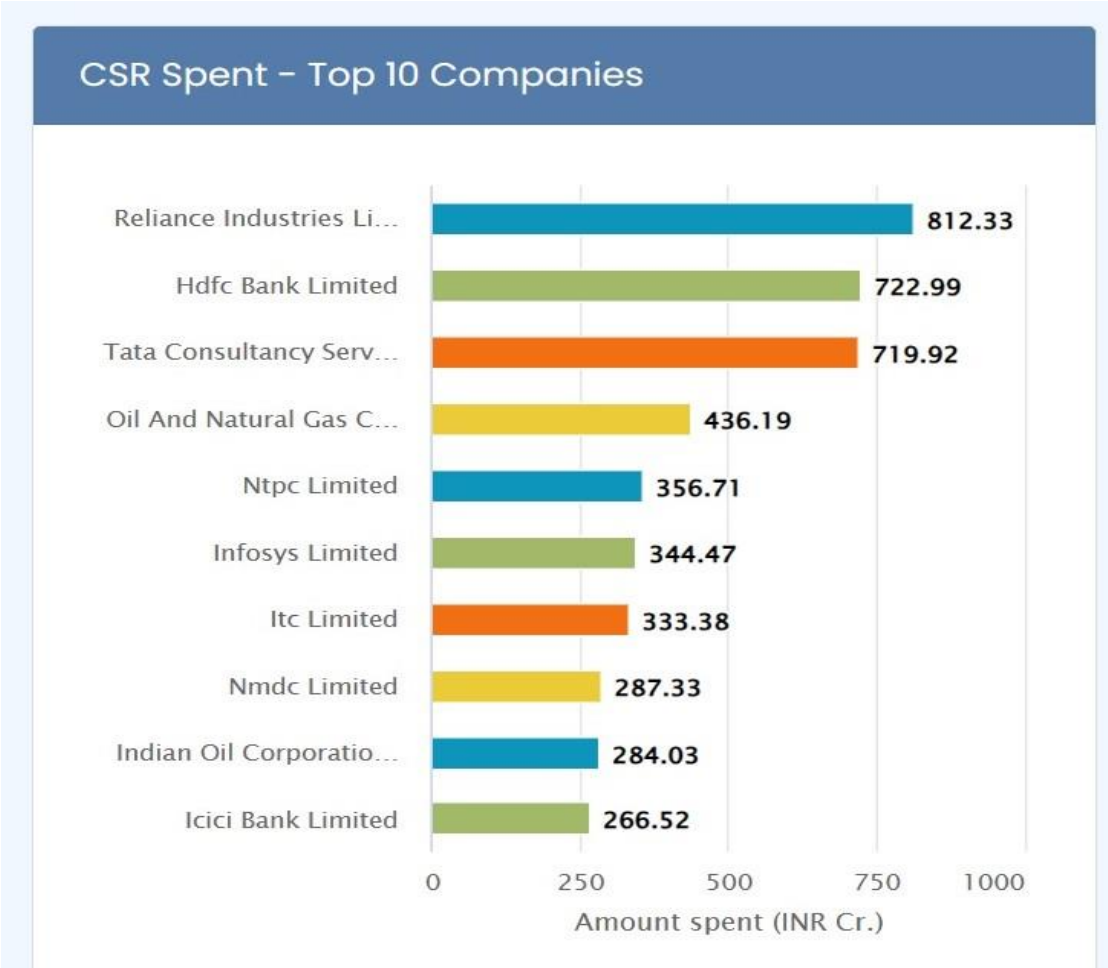
In India the government initiatives began in 2007 to includes ' Inclusive Growth ' in the 11th 5 year plan. After MCA issue valuntary guidelines on corporate social responsibility. In 2010, the parliamentary standing committee on finance 21st report on company Bill 2009. The ministry of Corporate Affairs (MCA) has published the voluntary national guidelines on corporate social, environment, and economics responsibility. In July 2011, which were revised in 2015 to align with international standard and the substantial development goals (S.D.Gs), and in March 2019 which were updated and renamed for the name of National Guidelines on Responsible Business Conduct (NGRBC). Which provide forecasting image for the companies to grow in an inclusive and sustainable manner while addressing the concern of stakeholders. The provision of CSR were initially introduced in the newly enacted companies Act 2013. Under section 135, schedule VII by the parliament of India.

(*Source : National CSR portal)

According to company Act 2013 section 135 and schedule VII - every company having:* Net worth of Rs. 500 crore or more, or* turnover of Rs. 1000 crore or more, or* Net profit of Rs. 5 crore or more .Should require spend certain proportion of their profits for the CSR purpose. Company shall require constitute a corporate social responsibility committee of the Board. As per company Act 2013, the board of every company shall ensure that the company spend in every financial year at least 2% of the average net profit made during the three immediately preceding financial years, for the purpose of corporate social responsibility policy. This provision is applicable for the both India and foreign companies they are located in India. India CSR model quite different from western model. In the western model company has option to voluntary engage in CSR activities of their choice with the spending decided by the management. In other hand company should spend specific amount for CSR activity which is listed in schedule VII of company Act 2013.

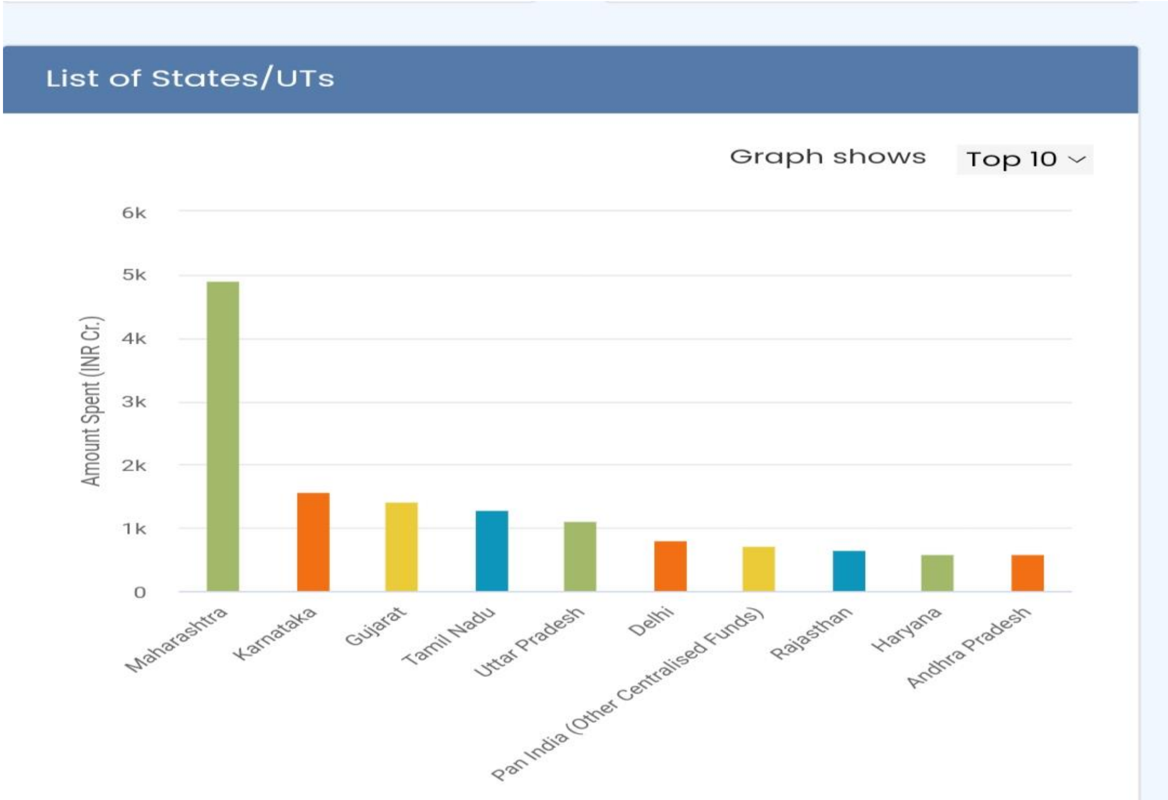
Data analysis and interpretation

Top ten CSR expenditure company in India



*(source : National CSR Portal)

Many companies operating in India including foreign companies which satisfied condition mentioned in company Act 2013, that has allocated funds for corporate social responsibility (CSR) activities. As per Company Act, company required to spend certain proportion of their profits for CSR activity. President graph shows top ten CSR contributing companies in India for the year 2021-22. Data suggest that the total CSR spend of these companies ranges between 266.52 crore to 812.33 crore. Reliance industries, HDFC Bank, Tata consultancy services, ONGC and Tata steel are top five companies basis the actual CSR spend in India, these companies account for more than 1/4 of total CSR Spending.



(*source : National CSR Portal)

Maharashtra, Karnataka Gujarat, Tamil Nadu and Uttar Pradesh where the highest gainer and made up over 43% of total CSR spinning in financial year 2022. In last three years Maharashtra is top state which contributes CSR expenditure in India and in the year 2021-22 Maharashtra spend Rs. 4910.81 crore for CSR purpose.

Conclusion :

C.S.R not a new concept in India. This Review is provided comprehensive overview of development and important of corporate social responsibility. We have explored the multifaceted dimensions of CSR, ranging from it's historical roots to it's contemporary relevance in the business world. CSR activity help the companies for improved reputation, stakeholder trust, and long-term sustainability. Additionally as per Company Act 2013 schedule VII specifies the areas and activities that qualify for corporate social responsibility (CSR) expenditure by companies. While C.S.R funds are primarily meant for social development and charitable activities, there are certain situations where CSR fund can indirectly assist the government. As we move forwards, it is clear that CSR will continue to play a important role in shaping the ethical and sustainable practices of Organisation world wide. It is imperative for businesses to not only adopt C.S.R initiatives but also to embed them within their corporate DNA. By doing so, they can contribute not only to their own success but also to the betterment if society and the environment. In the ever- evolving landscape of CSR, ongoing research and collaboration among businesses, academia, and civil society will be essential to address the complex global challenges we face. We hope that this review article has provided valuable insights and inspiration for future research and action in the realm of corporate social responsibility.

Reference :

1. Prashant pareek, (2017), *A study on corporate social responsibility: Historical Background and Impact on organization and Society, Landon Journal of Research in Humanities and social science, LJP copyright ID : 475992, print ISSN : 2515. 5784, online ISSN : 2515- 5792.*
2. Anupam Singh ,Dr. Priyanka Verma (2014), *CSR @2% : A New Model of Corporate Social Responsibility in India, International Journal of Academic Research in Business and Social Science, DOI : 10. 6007/IJARBSS/ V4- i10/1234 URL : http://dx.doi.org./ 10.6007/ IJA- RBSS/V4- i10/123*
3. pregnesh B Dalwadi, Dr. Gurudutta P. Japee, (2023), *India's Top ten C.S.R contributing companies and their contributions towards environmental sustainability, International Journal of Management Public Policy and Research 2(1) : 149 - 152, DOI : 10. 55829/ijmpr.V2i1.126.*
4. 4)Jayadev Satapathy, Tattwamasi paltasingh, (2019), *C.S.R in India : a journey from compassion to commitment, Asian Journal of Business Ethics, https:// doi.org/10.1007/s13520- 0190-000095.2.*
5. Dr. Kiran S. Kakade, (2019), *Competative study of corporate social responsibility practices in India, Research Review International Journal of Multidisciplinary, www. rrjournal.com.*
6. Balakrishnan M.and Mohan D., (2008), *Corporate Social Responsibility : A Philosophical Approach from an Ancient Indian perspective, International Journal of Indian Culture and Business Management 1 (4). DOI : 10. 1504/IJI CBM.2008.018622.*
7. Harish Kumar, (2022), *An Analysis of Corporate Social Responsibility (CSR) expenditure by Indian Companies, International Journal of Finance and commerce, www.commercejournals.com*
8. Vethirajan. C and Ariyadevi.N, (2020), *Improvement of C.S.R Activities in Indian Companies After the Amendment of Companies Act, 2019, JAC : A Journal Of Composition Theory. 13(4) : 418 - 428.*

The study on the Progress and Performance of Banking Ombudsman Schemesin Banking Sector in India

Dr. H. M. Jare,
Principal
Sahebraoji Butte Patil Mahavidyalaya, Rajgurunagar, Dist – Pune
Email ID : hmjare@gmail.com

Abstract:
The Reserve Bank of India (RBI) is the apex regulatory banking institution in India. It keeps control on the functioning of all other banking institutions and Non-banking Financial Companies (NBFCs).Banking Ombudsman scheme is one of the parts of it's regulatory function. The first ombudsman scheme was introduced in 1990 and always viewed as an issue by customers. But after possible improvements it was brought into implementation from the 1995. It was refined and modified on certain grounds through the introduction of regulations under Banking Ombudsman Scheme 2006. This scheme deals with resolution ofcustomer complaints and to adjudicate disputes in banking sector.The RBI launched the Complaint Management System (CMS) in 2019, for improving the customers' experience in respect of grievance redressal system of banking services. In 2019 'Ombudsman Scheme for Digital Transactions - 2019' has been launched.TheReserve Bank - Integrated Ombudsman Scheme-2021 is an initiative of RBI with an approach of "One Nation, One Ombudsman'. It provides redressal mechanism regarding complaints raised by bank customersagainst banks, NBFCs, pre-paid instrument players, non-scheduled primary co-operative banks with a deposit limit of Rs. 50 crore and above.The major objective of this study is to understand the concept of Banking Ombudsman Scheme, to study procedure and analyse the performance of various Banking Ombudsman Schemes".
Keywords: ***Ombudsman, Banking Ombudsman, Integrated Ombudsman Scheme.***

Introduction:

In India an Ombudsman is appointed to resolve grievances in major three sectors. 1. Insurance Ombudsman, 2. Income Tax Ombudsman, 3. Banking Ombudsman. The Banking Ombudsman Scheme is a mechanism for resolving the complaints of the customers of banks regarding different services rendered by the banks and Non-banking Financial Companies (NBFCs) in India. The concept of Ombudsman arrived from Sweden. According to Section 35A of the Banking Regulation Act, 1949; The Banking Ombudsman creates an accountability to appoint a banking ombudsman. Heshould be a senior official having the rank of Chief General Manager or General Manager appointed by the RBI (RBI). The first ombudsman scheme was rolled out in the 1990 and always viewed as an issue by customers. But after possible improvements it was brought into implementation from the1995.It was refined and modified on certain grounds through the introduction of regulations under Banking Ombudsman Scheme 2006 and amended up to 1stJuly, 2017. The RBI introduced NBFCOmbudsman Scheme in 2018to redress complaints with regard to NBFCs.As the increase observed in digital transactions RBI has introduced, 'Ombudsman Scheme for Digital Transactions -2019'. Recently in 2021 'Reserve Bank – Integrated Ombudsman Scheme - 2021' launched with the broad objective to avail common platform for resolving different banking issues facing customers.As at the end of April 2022, TwentyTwo Banking Ombudsmen have been appointed by RBI across India. Especially their offices are located in state capitals. The major purpose of this scheme is to assist the banking customers by resolving their complaints against services provided by banks. The Banking Ombudsman Scheme extends to entire India and covers the banking industry in the country. It is applicable to all Scheduled Commercial Banks, NBFCs, Regional Rural Banks (RRBs) and Scheduled Primary Co-operative Banks (PCBs), etc.

The RBI has right to specify the operating area or territorial limits of the specific ombudsman. The ombudsman is responsible for obtaining and considering the complaints registered by concerned parties. He is responsible for the settlement of complaint between the bank and complainant. The ombudsman has to submit his report to the Governor of RBI on 30th June of every financial year. He has to provide data regarding activities conducted through his office during the preceding financial year and other necessary details as demanded by Reserve Bank. The Banking Ombudsman Scheme allows to a concerned customer to file a complaint of any nature irrespective of any amount involved, in the complaint with the ombudsman.

Objectives of the Study :

1. To understand the conceptual background of various Banking Ombudsman Schemes in India.
2. To Analyse the progress and performance of various Banking Ombudsman Schemes in India.

Literature Review :

(2020), Dr. C. Vijai has studied the Banking Ombudsman Scheme and he has highted that It is very essential channel for Indian banks. He has observed that clients in city area were very happy with the services of the banking ombudsman but rural residents still do not recognize the banking ombudsman.

(2020), Dr. D. SasikalaDevi and Dr. P. Soundaravalli had conducted a study on the ‘Performance of Banking Ombudsman Scheme in India’. Their study revealed that, The Banking Ombudsman System has been used extensively to resolve the grievances of banking customers over the years. Many customers are got aware about banking systems, law and procedures. This will help the banks to ensure zero percent in complaints settlement.

(2022), Riya Rupani and Shaukat Ali had conducted ‘An Analytical Study on the Performance of the Banking Ombudsman Scheme in India’ and their study disclosed that the Ombudsman Scheme is a blessing and a very prominent medium for redressal of grievances by the general public against banks and banking services and highlighted the concern that the number of Ombudsmen has not increased over the years proportionately with the increasing complaints, RBI should consider this point positively.

Research Methodology :

Data Sources : This research article is based on the data obtained from the secondary sources, research papers published in National and International Journals, Newspapers, Website of RBI, other concerned websites, etc.

Various Banking Ombudsman Schemes in Indian Banking Sector:

A] The Banking Ombudsman Scheme, 1995

This scheme was notified by RBI on 14thJune, 1995 in terms of the powers conferred on the Bank by Section 35A of the Banking Regulation Act, 1949 (10 of 1949) to provide for a system of redressal of grievances against banks. This Scheme strongly emphasizes on establishing a system of expeditious and inexpensive resolution of customer complaints regarding banking services. This Scheme came in operation from 1995 and was revised in 2002. Initially This scheme was executed by Banking Ombudsmen appointed by RBI at 15 centres across the country.

B] The Banking Ombudsman Scheme, 2006

Thisscheme was introduced with an objective of enabling the resolution of complaints of bank customers regarding certain services rendered by banks and to facilitate smooth settlement of such complaints.

C] Ombudsman Scheme for Non-Banking Financial Companies, 2018

The RBI introduced this scheme to redress complaints regarding NBFCs in 2018.The NBFC Ombudsman is a senior official appointed by the RBI to redress customer complaints against services provided by NBFCs for deficiency in certain services covered under the grounds of complaints specified under Clause 8 of the Scheme. Four NBFC Ombudsmen have been appointed with their offices located at Chennai, Kolkata, New Delhi and Mumbai.

D] Ombudsman Scheme for Digital Transactions, 2019

This Scheme is introduced with an objectiveof facilitating satisfaction or settlement of complaints regarding digital transactions undertaken by customers of System Participants as defined under this Scheme.

E] 'Reserve Bank - Integrated Ombudsman Scheme : 2021' :

The RBI published the notification dated12thNovember, 2021 regarding launching of Reserve Bank – Integrated Ombudsman Scheme, 2021. This scheme has amalgamated the existing three Ombudsman schemes of RBI namely as under :

a) The Banking Ombudsman Scheme, 2006;
b) The Ombudsman Scheme for NBFCs, 2018; and
c) The Ombudsman Scheme for Digital Transactions, 2019.

Apart from an inclusion of entities in above three schemes, This scheme includes non-scheduled primary co-operative banks with a deposit size of ₹ 50 Crore and above with an broad approach of 'One Nation One Ombudsman'.As per the banking law framework,Thisscheme facilitates cost-free redressal mechanism for banking customer complaints including deficiency in services if not resolved to the customer's satisfaction or not answered within 30 days by any entity that falls under the regulation of RBI.

Salient features of the 'Reserve Bank - Integrated Ombudsman Scheme - 2021':

1. The Complainant customer does not require to identify under which scheme he/she should file a complaint with the ombudsman.
2. The Scheme defines 'deficiency in service' as the ground for filing a complaint, with a specified list of exclusions. Therefore, the complaints would no longer be rejected simply on account of not being covered under the grounds listed in the scheme.
3. RBI has created a Centralised Receipt and Processing Centre (CRPC), Chandigarh for receipt and initial processing of physical and email complaints.
4. The Principal Nodal Officer having the rank of a General Manager in a Public Sector Bank or equivalent official has to represent the Regulated Entity and providing information in about complaints filed by customers against the Regulated Entity.
5. The RBI Regulated Entity doesn't have right to appeal in case of an award has been issued by the ombudsman against it for not furnishing satisfactory and timely information or documents.
6. The Executive Directorin-charge of 'Consumer Education and Protection Department'

of RBI would be the Appellate Authority under this Scheme.

7. Customers' canfileonline complaint through Complaint Management System (CMS) portal of RBI or through the authorized e-mail or filed in physical mode in the prescribed form.Customers can track status and give feedback through a single email address.
8. This scheme facilitates multi-lingual contact centre providing information or clarifications regarding the alternate grievance redress mechanism of RBI and guide complainants in filing of a complaint.
9. This scheme would benefit to 44 crore loan account holders and 220 crore deposit account holders directly from the single platform of integrated ombudsman.

Reasons for filing Complains under Banking Ombudsman Scheme

1. Delay or non-payment against cheques, drafts, bills and other credit instruments.
2. Non-acceptance of any Indian currency notes or coins without valid reasons.
3. Unauthorised amount of commission charged for any banking service provided.
4. Delayed paymentsor Non-payment of the inward remittances.
5. No loyaltyof banking employees with the work and during working hours of the banks.
6. Delay or failure to provide promised banking facilities by the officials or the agents.
7. To refusefor opening deposit accounts without any valid reason.
8. Delay or not remitting money and other banking issues pertaining to non-resident Indians.
9. Levy of any additional charges without intimation to the customers in advance.,
10. Non-following the guidelines issued by RBI pertaining to ATM / Debit cards orCredit Cardsfacilitated by the banks.
11. Behaviour ofrecovery agents of the banks against the guidelines ofRBI.
12. Ignorance towards Mobile or Internet Banking facility and non-obeyance of the guidelines of RBI in this regard.
13. Delaying or refusing payments of taxes and other payments as per instructions ofRBI and government.
14. Delay in issue / redemptionof government securities or refuse amounts of redemption.
15. Closing of deposit accounts without any specific reasons or prior notice for the delay in closure of any type of accounts.
16. Complaints raised by customersregarding non-observance of RBI guidelines on interest rates, refusal to accept loan applications without a valid reasons or delay in

disposing of loan applications

17. Non-adherence to the provisions of the fair practices code for lenders as adopted by bank or Code of Bank's Commitment to Customers.
18. Non-obeyanceof any other guidelines / instructions issued by the RBI

Performance of Ombudsman Schemes during Past Three Years :

The following table is showing the details of total number of complaints received under various Ombudsman Schemes during past three years and the RB-IOS, 2021:

Table 1: Officewiseand Sub-scheme wise total receipt of Complaints under the Ombudsman Schemes during past the years 2019-20, 2020-21 and 2021-22

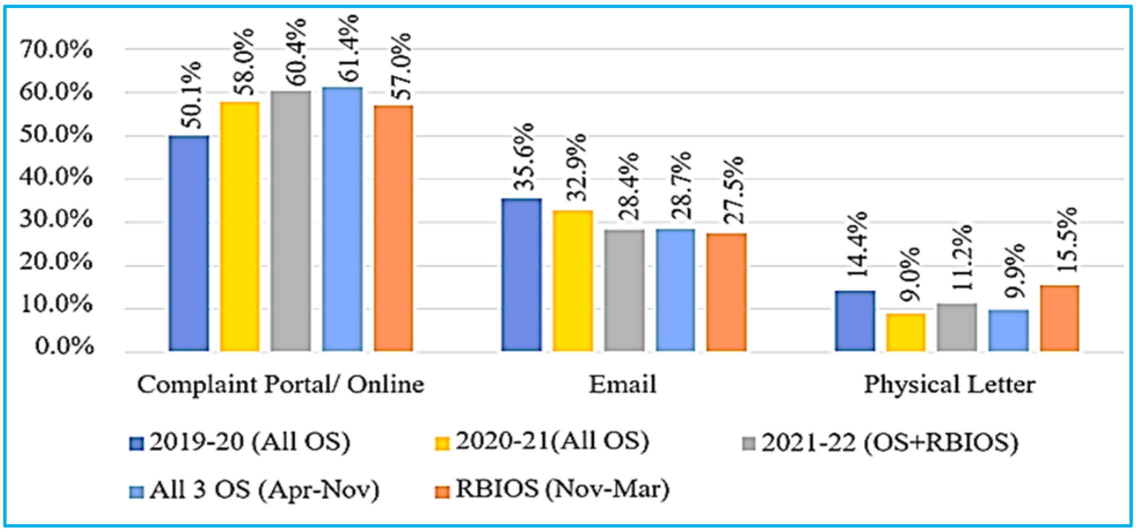
ORBIO	2019-20 (Jul –Jun)	2020-21 (Apr –Mar)	2021-22 (Apr–Mar)		BOS	OSDT	OSNBFC	RB-IOS
			Volume	% Share	2021-22			
Ahmedabad	16,082	21,078	16,426	5.39%	12,634	94	---	3,698
Bengaluru	18,697	17,407	13,996	4.60%	10,356	189	---	3,451
Bhopal	14,677	15,787	12,841	4.22%	9,562	138	---	3,141
Bhubaneswar	5,386	6,920	7,806	2.56%	4,585	94	---	3,127
Chandigarh	31,702	36,619	20,270	6.66%	17,038	73	---	3,159
Chennai	21,157	27,446	21,396	7.03%	13,137	116	4,415	3,728
Dehradun	7,913	7,970	8,342	2.74%	5,470	28	---	2,844
Guwahati	3,661	3,543	5,444	1.79%	2,425	27	---	2,992
Hyderabad	20,143	22,161	15,212	5.00%	11,404	204	---	3,604
Jaipur	18,285	22,094	18,145	5.96%	14,794	129	---	3,222
Jammu	1,538	1,767	4,300	1.41%	1,331	25	---	2,944
Kanpur	24,026	26,499	24,214	7.95%	20,872	115	---	3,227
Kolkata	13,146	17,160	14,766	4.85%	9,192	201	1,870	3,503
MumbaiI	19,649	22,479	18,806	6.18%	15,035	186	---	3,585
MumbaiII	26,155	30,999	20,672	6.79%	11,261	182	5,526	3,703
New DelhiI	18,289	23,238	15,310	5.03%	11,836	137	---	3,337
New DelhiII	27,829	34,673	24,259	7.97%	12,377	106	8,628	3,148
New DelhiIII	9,644	11,091	8,883	2.92%	5,606	42	---	3,235
Patna	17,514	17,456	13,606	4.47%	10,369	130	---	3,107
Raipur	3,705	4,018	5,362	1.76%	2,217	26	---	3,119
Ranchi	4,622	4,765	6,307	2.07%	3,189	29	---	3,089
Thiruvananth-apuram	6,723	7,122	8,133	2.67%	4,506	10	---	3,617
Total	**3,30,543**	**3,82,292**	**3,04,496**	**100.00%**	**2,09,196**	**2,281**	**20,439**	**72,580**

*Source : Annual Report on Banking Ombudsman Scheme - 2020-21 published by RBI.

ORBIO : Office of RBI Ombudsman, BOS : Banking Ombudsman Scheme, OSDT : Ombudsman Scheme for Digital Transactions, OSNBFC : Ombudsman Scheme for NBFCs, RB-IOS : Reserve Bank – Integrated Ombudsman Scheme

It is observed that, under RB-IOS2021, the structural changes have been taken place in Banking Ombudsman framework, especially in case of Centralised Receipt & Processing Centre (CRPC) for handling complaints received through email and physical complaints and initial assessment on maintainability of complaints in CMS. The number ofcomplaints handled by ORBIOs during the year 2021-22 reduced. ORBIO - New Delhi II handled the highest number ofcomplaints under earlier ombudsman schemes (7.97% of thetotal) followed by ORBIOs at Kanpur and Chennai. ORBIOs at Jammu, Raipur and Guwahati executed the lower number of banking complaints. After the implementation of RB-IOS, 2021, with an approach of 'One Nation, One Ombudsman', the number of complaints with different ORBIOs has been declined.

Chart -1 Modes of Receipt of Complaint



*Source : Annual Report on Banking Ombudsman Scheme - 2020-21 published by RBI.

Ithas been observedthatthe highest number of complaints were registeredthrough CMSportal.As a result of technology impact bank customers mostly preferred online mode for filing complaints. In case of complaints registered physically are lowered in volume during post launch of RB-IOS, 2021. It could be an impact of "One Nation One Ombudsman" approach adopted under RB-IOS.

Table 2 : Complainant Type wise receipt of complaints under the Ombudsman Schemes :

Complainant by	2019-20 (Jul-Jun)	(%)	2020-21 (Apr-Mar)	(%)	2021-22 (Apr-Mar)	(%)
Individual	273,43	82.72	305,09	79.81	243,24	79.88

	2		3		4	
Individual – Business	10831	3.28	13614	3.56	10400	3.42
Proprietorship/Partnership	5583	1.69	7505	1.96	6712	2.20
Limited Company	6917	2.09	8381	2.19	7427	2.44
Trust	559	0.17	665	0.17	613	0.20
Association	446	0.13	372	0.10	427	0.14
Government Department	5180	1.57	6447	1.69	4993	1.64
Public Sector Undertaking	1297	0.39	1475	0.39	1799	0.59
Senior Citizen	8237	2.49	10061	2.63	9244	3.04
Others	18061	5.46	28679	7.50	19637	6.45
Total	**330,543**	**100.00**	**382,292**	**100.00**	**304,496**	**100.00**

*Source : Annual Report on Banking Ombudsman Scheme - 2020-21 published by RBI.

It is observed that the volume of individual complaints scores around 80% of the total. However, complaints by Senior Citizens have been risen as compared to earlier periods even though the number of these complaints hasbeen come down during 2021-22.It is also observed that Individual complaints as well as almost all other complaints reduced post launch of RB-IOS, 2021.

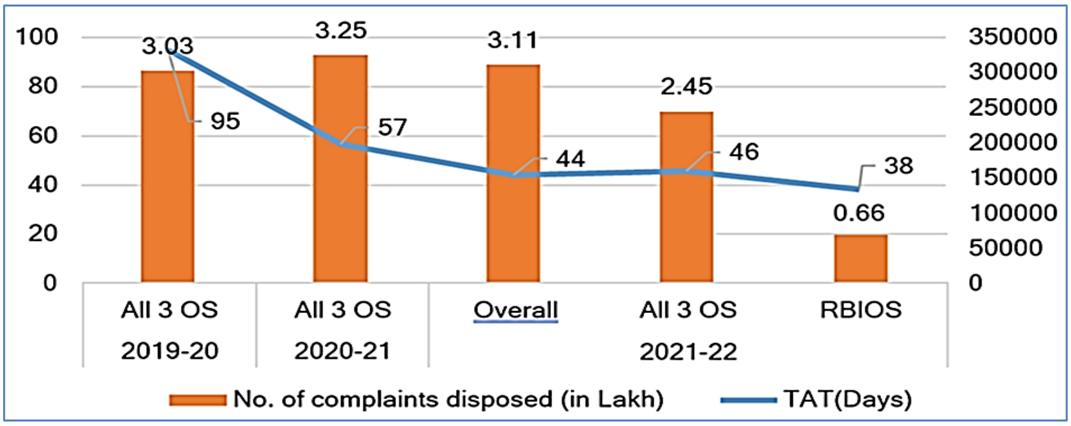
Table : 3 Entity-type wise receipt of complaints at the ORBIOs :

Entity Group	**Overall**			**All 3 OS**	**RBIOS**	**(%) Change**
	2019-20 (Jul-Jun)	**2020-21 (Apr-Mar)**	**2021-22 (Apr- Mar)**	**2021-22**	**2021-22**	
Public Sector Banks	1,84,087	1,74,974	1,54,725#	1,19,143	35,582	-11.57%
	55.69%	45.77%	50.81%	51.37%	49.02%	
Private Sector Banks	98,623	1,26,303	94,275	72,703	21,572	-25.36%
	29.84%	33.04%	30.96%	31.35%	29.72%	
Payments and Small Finance Banks	5,227	6,918	8,076	6,100	1,976	
	1.58%	1.81%	2.65%	2.63%	2.72%	16.74%
Foreign Banks	5,935	6,157	4,464	3,188	1,276	-27.50%
	1.80%	1.61%	1.47%	1.37%	1.76%	
RRBs/ Urban Co-op. Banks	6,060	6,382	6,508	4,292	2,216	1.97%
	1.83%	1.67%	2.14%	1.85%	3.05%	
NBFC	15,285	31,158	22,317	18,084	4,233	-28.37%
	4.62%	8.15%	7.33%	7.80%	5.83%	
PPI/BBPOU	2,172	3,168	3,040	2,064	976	-4.04%
	0.66%	0.83%	1.00%	0.89%	1.34%	
Others	13,154	27,232	11,091	6,342	4,749	-59.27%
	3.98%	7.12%	3.64%	2.73%	6.54%	
Total	**3,30,543**	**3,82,292**	**3,04,496**	**2,31,916**	**72,580**	**-20.35%**

*Source : Annual Report on Banking Ombudsman Scheme - 2020-21 published by RBI.

After implementation of RB-IOS-2021, initial screening of non-maintainable / non-complaints done at the CRPC and only maintainable complaints have been handed over to ORBIOs. That's why the complaints closed at the CRPC are not consideredas complaints under ORBIOs as per the RB-IOS, 2021. However, the earlier ombudsman schemes account all complaintsreceived at the ORBIOs. Hence, it is not possible to compare the data for 2021-22 with previous years.

Chart : 2 Total Volume of Disposed Complaints along with their Turn Around Time



*Source : Annual Report on Banking Ombudsman Scheme - 2020-21 published by RBI.

It is seen that the dispersion of TAT across complaints has reduced significantly during post launch period of RB-IOS, 2021 as compared to the earlier Schemes. Total 2.45 lakh complaints under old schemes were disposed during 2021-22 with TAT of 46 Days, whereas about 66 thousand complaints under RB-IOS, were disposed with TAT of 38 Days.

Conclusion :

The ombudsman scheme in banking sector has brought a significant transformation in grievance redressal of customer complaints. The Government of India is well alert about customers issues regarding banking services. Accordingly it has undertaken significant steps by way of amendments in ombudsman scheme time to time and by framing and implementing new schemes as required in changing environment in banking field. The new initiative undertaken by RBI i.e. 'Reserve Bank – Integrated Ombudsman scheme – 2021' has availed a centralised grievance redressal system for resolving complaints against banking services and brought positive impact in customer grievance redressal mechanism. It is expected that it will bring harmony in banking transactions settlement.

Bibliography :

1. Jose, T. (2018, May). *Classroom - What is Banking Ombudsman Scheme? Retrieved from www.indianeconomy.net: https://www.indianeconomy.net/splclassroom/banking-*

ombudsman-scheme/

2. Parliament library and reference, research, *(2021, December). Reference Note on Banking Ombudsman Scheme. Retrieved from loksabhadocs.nic.in: https://loksabhadocs.nic.in/Refinput/New_Reference_Notes/English/08122021_120807_102120474.pdf*
3. Patra, A. (2023, October). *One Nation One Ombudsman Scheme : RBI - Integrated Ambudsman Scheme - 2021. Retrieved from Taxguru: https://taxguru.in/rbi/nation-ombudsman-rbi-integrated-ombudsman-scheme-2021.html*
4. Reserve Bank of India. (2004). *Banking Amboudsman Scheme 2004. Retrieved from rbi.org.in:https://rbi.org.in/Upload/Publications/PDFs/55994.pdf#:~:text=The%20Scheme%20sought%20to%20establish%20a%20system%20of,RBI%20at%2015%20centres%20covering%20the%20entire%20country*
5. Reserve Bank of India. (2006). *Banking Ombudsman Scheme 2006. Retrieved from rbi.org.in:https://www.rbi.org.in/commonman/Upload/English/Content/PDFs/67933.pdf*
6. Reserve Bank of India. (2021-22). *Annual Report (Banking Ombudsman Scheme, 2006, Ombudsman Scheme for NBFCs, 2018, Ombudsman Scheme for Digital Transactions, 2019, Reserve Bank – Integrated Ombudsman Scheme, 2021). Reserve Bank of India, Consumer Education and Protection Department. Mumbai: Reserve Bank of India. Retrieved October 2023, from https://rbidocs.rbi.org.in/rdocs/Publications/PDFs/OMBUDSMANSCHEME202122608BF82A03734B43A41852DFC880C40F.PDF*
7. Reserve Bank of India. (2023, October). *Ombudsman Scheme for Digital Transactions - 2019. Retrieved from Reserve Bank of India: https://rbidocs.rbi.org.in/rdocs/Content/PDFs/OSDT31012019.pdf*
8. Reserve Bank of India. (2023, October). *Press Release : The Reserve Bank - Integrated Ombudsman Scheme, 2021. Retrieved from www.rbi.org.in: https://www.rbi.org.in/commonman/Upload/English/PressRelease/PDFs/PR1184ENG121121.pdf*
9. Sudish Sharma, S. S. (2021, October). *Economy - Times of India. Retrieved from Times of India:* https://timesofindia.indiatimes.com/blogs/voices/how-to-file-a-complaint-under-the-one-nation-one-ombudsman-scheme-of-rbi/

A Study of Factors Affecting Consumer Behavior in Online Purchases

Dr. Satyanarayan R. Rathi

Associate Professor

Department of Commerce

K.K.M. College, Manwath, Dist- Parbhani (MS)

Email-rathisrr@gmail.com

Abstract:

Everything from food to electronics is available on the internet in the twenty-first century. Consumers are becoming more aware of the advantages of digitization. People in India are becoming more interested in online purchases due to the tremendous and massive expansion of the Internet in the country. The study focused on the factors which affects consumer behaviour in online purchases. The objective of the study is to know the factors which affect the consumer behaviour towards the goods or services and to gain the knowledge on how the factors affect the purchase decision of an individual consumer. The data collection for this study is secondary data. The limitation of this research is only theories consider in this research and empirical data not included in this research. The conclusion of this study is the four main factors which affect the consumer behaviour in online purchases such as Personal factor, Psychological factor, Cultural and Social factor and Economic factor. It also concluded that a consumer affects at the different ages, life cycle stages, affect the consumer behaviour. Consumers are making more online purchases as technology advances. The advancement of technology has resulted in a more favorable attitude toward internet purchasing.

Keywords: *Consumer behaviour, internet purchasing, digitization.*

Introduction:

Everything from food to electronics is available on the internet in the twenty-first century. Consumers are becoming more aware of the advantages of digitization and are asking for more personalized control. People in India are becoming more interested in online purchases due to the tremendous and massive expansion of the Internet in the country. They may make online purchases while sitting at home or work, and after receiving good service, product quality, competitive price, and on-time delivery as a result of their online purchases, they always attempt to refer their friends and family members to make online purchases. Customers are increasingly making purchases online. Customers are drawn to internet purchases because of their convenience. A one-of-a-kind internet payment system makes buying from strangers simple and secure. Customer behavior is affected by various demographic parameters, such as age, income, gender, and educational background. Consumers used to pay in cash, but now there are a variety of payment methods to choose from, such as debit cards, credit cards, online banking, and cash on delivery. These payment methods also make online shopping easy. Most clients are enticed to shop online by a variety of online promotional tactics. Wi-Fi services and smartphone gadgets have made it possible for consumers to make purchases from anywhere in the world in the age of internet technology. Many merchants use visuals and information, as well as colored photos and representations of the full object, to entice people to buy on impulse. They often provide discounts on a variety of products. Online advertising can be useful in describing the full product and service.

Electronic marketing is a huge shift in the globalization era. Over the previous ten years, the majority of commercial organizations have had to adapt to technological development. Online marketing or shopping refers to the use of technology (i.e. computers) to increase marketing performance. Merchants are developing methods to meet the demands of online customers, as well as studying consumer behavior in the realm of online buying to better understand how customers feel about it. As a result, when it comes to online purchasing, researchers opt to focus on consumer behavior, particularly the factors that influence customers' online purchases. Change is the law of nature; nothing in the world is constant except change. Similarly everybody wants change in the life. As the environment and surroundings change the people also want to change accordingly. This change also affects on the business due to internal and external factors. There are lot of changes took place in the business in respect of economical, social, political and technological point of view. So, there is essential to study factors like Economic, Personal, Psychological, Cultural and Social, Political and Technological how it influenced during the online.

Understanding, analyzing, and tracking consumer behavior is very essential mechanism to achieve competitive advantage in the marketplace.

Objectives of study:

1. To understand the concept of consumer behaviour.
2. To understand the online consumer behaviour process.
3. To study the factors affecting consumer behaviour in online purchases.

Research Methodology:

The paper is descriptive in nature so the data required for the paper is secondary data. Secondary data were collected from various published and unpublished papers, journals, books, articles, reports, magazines and websites.

Literature Review:

Consumer Behaviour:

Consumer behavior has traditionally been thought of as the study of "why people buy" with the premise that it becomes easier to develop strategies to influence consumers once a marketer knows why people buy certain products or brands.

Consumer behavior: refers to those acts of individuals that are directly involved in obtaining and using economic goods and services, including the decision processes that precede and determine these actions (Engel et al, 1995).

Schiffman and Kanuk (2004) defined consumer behavior as the behavior that a consumer displays in searching for, purchasing, using, evaluating, and disposing of products, services and ideas which they expect will satisfy their needs.

The term consumer behavior is defined as the behavior that consumer display in searching for purchasing, using, evaluating and disposing of product and services that they expect will satisfy their needs. Consumer behavior focuses on how individuals make decisions to spend their available resources (time, money, effort) on consumption related items. This includes what they buy, why they buy it, when they buy it, where they buy it, how often they buy it, how often they use it, how they evaluate it after the purchase and the impact of such evaluation on future, and how they dispose of it.

In other words, consumer behaviour refers to how people buy, use, and dispose of items, services, ideas, and experiences. Information acquisition and utilization are also part of consumer behaviour. As a result, communicating with customers and collecting feedback from them is an important aspect of customer behaviour that marketers are interested in.

In the last two decades, Indian consumers have attributed changes in their socioeconomic status to increased education and income, as well as changes in their habits and lifestyle. Indian customers' purchasing habits have shifted in the recent decade.

People's attitudes on using various forms of online items are shifting. The Indian population is undergoing a transition. This development opens up the possibility of expanding the market for various internet products. In metro and big cities, the market for such a product could be enormous. Efforts should be made to develop the market for such products in newly developing metropolitan areas where they can be sold.

Online Consumer Behaviour Process:

Because of the rise of online communication via the internet, customers are increasingly encountering online marketing for various firms. It is rapidly catching up with consumer purchasing patterns and is a significant source of publicity for both niche and established businesses.

This is the new digital revolution, and companies all around the world have realized its importance. Consumers can look at a variety of products by using product navigation on the website or even find on Google. There are different applications where consumers can compare the product prices and features and then make a sound decision on the purchase.

During the search process, people may look for feedback that is placed by other consumers, as shown in the above diagram. After going through the feedback or review, they can determine or identify which product is the best fit according to their requirements. Standard website designs are essential components for convincing people to buy at this level.

1. Step 1: There are different applications where consumers can compare the product prices and features by different platforms and then make a sound decision on the purchase.

2. Stage 2: Range of product collection and excellence in information will appear to be the most essential aspects for supporting customers at determining the selection of product to buy and from the seller during this purchasing stage.

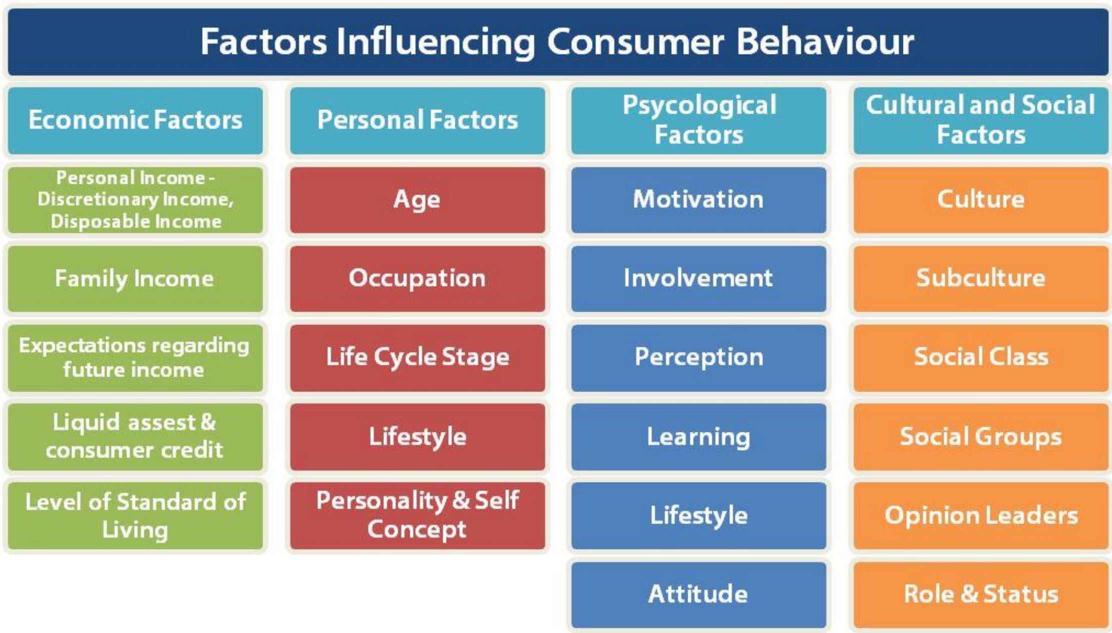
3. Stage 3: Their post-purchase behavior will become increasingly important following their online purchase. Consumers may have problems or questions regarding a product, as well as the desire to swap or return it. As a result, return and exchange services are now more important than ever.

Customers can narrow down their shopping options and choose from a list of stores from which to make their purchases. They apply their knowledge to narrow down their buying possibilities based on three criteria: security, privacy, and trustworthiness.

Factors Influencing Consumer Behaviour:

Consumers will be influenced by a variety of factors, not just those linked to the product's visual qualities, when making their final selection and even during the decision-making process. Some of these factors have a direct, quantifiable impact on purchasing decisions, while others are less tangible and may just hint to buying habits.

In many circumstances, intangible variables such as product perception or supplier-consumer relationships may be crucial. The following are some of the factors that influence online customer behavior:



Factors Influencing Consumer Behaviour

Source: (bbamantra, 2020)

1) Economic Factors:

According to several ideas, economic factors have the greatest influence on customers. One of the most crucial variables to examine is the financial status of consumers. In other words, the more money a person has, the more inclined him or she is to spend it. As a result, one way to categories consumers is by income level. However, income is insufficient because the overall economic condition influences the behavior of various income groups.

When a consumer’s income or anticipation of future income, or the availability of liquid cash or credit, rises, he will ask for more and spend more; when they don’t, he will save and minimize the requirement. Household wealth and lifestyle have an impact on consumer consumption patterns and purchase behaviors.

2) Personal Factors:

The activities of individuals and families vary with time. The requirements of consumers, as well as the time and resources available to address those needs, are likely to be influenced by their age and family status. Young singles, for example, are more likely to be interested in entertainment, whereas professional couples without children require a large number of luxury products. Non-essential products are unlikely to be afforded by couples with children, although elderly couples without children may be able to do so again.

3) Psychological Factors:

A variety of psychological elements influence buyer behavior, from Freud's teachings to Herzberg's explanation of dissatisfies (characteristics that prevent a consumer from purchasing a product) and satisfiers (characteristics that encourage a customer to acquire a product) (characteristics that will positively persuade the customer to choose that brand). Abraham Maslow's psychological approach to marketing is likely the most often quoted (Goyal, 2015). Due to their psychological makeup, customers react differently to the same marketing mix (product).

4) Cultural Factors and Social Factors:

Culture, which is more obvious in countries, is another important component that influences consumer behaviour. Because of its ongoing class consciousness, British culture differs from American culture in many ways. Life under the Mediterranean sun is considerably different from life in northern Europe, which is relatively cold. Even within a nation's overall culture, there exist smaller subcultural groups with their own distinct ideas. Ethnic or religious communities, for example, may attract their own professional providers.

Conclusion:

People in India are becoming more interested in online purchases due to the tremendous and massive expansion of the Internet in the country. The study focused on the factors which affects consumer behaviour in online purchases. The conclusion of this study is the four main factors which affect the consumer behaviour in online purchases such as Personal factor, Psychological factor, Cultural and Social factor and Economic factor. It also concluded that a consumer affects at the different ages, life cycle stages, affect the consumer behaviour. Consumers are making more online purchases as technology advances. The advancement of technology has resulted in a more favorable attitude toward internet purchasing.

References:

1. Hariramani, S. (2017), *Study on consumers perception about on line shopping in india*. Gujarat University
2. Lakshmi. (2016), *Consumer Buying Behaviour towards Online Shopping, International Journal of Research Granthalayah*, pp.60-65
3. Singh, P. (2014), *Consumers buying behaviour towards online shopping -National Journal of Research in Commerce and Management*
4. Vinay Kumar, U. D. (2012), *A Study of Factors Affecting Online Buying Behaviour: A Conceptual Model- SSRN Electronic Journal*
5. *https://www.researchgate.net/publication/341407314_Factor_Affecting_Consumer_Buying_Behavior_A_Conceptual_Study*
6. *www.google.com*

An Analysis of Provision of Public Goods: Special Reference to Kalyan Dombivali Muncipal Corporation Region.

Prof. Rakesh Bhoir
Assistant Prof. & Head Dept. of Economics
B.K. Birla College, Kalyan

Dr. Pawar Dondiram B
Associate Prof. Dept. of Economics
S.P. College, Pune

Abstract:
A public good is a product that one individual can consume without reducing its availability to another individual, and from which no one is excluded. A public goods is a product that one person can consume without reducing its availability to another person. The literature on clubs goes back to Buchanan's seminal paper, where he goes beyond the sharp distinction between purely public and purely private goods, arguing that in between these two extremes there is a continuum of ownership–consumption possibilities. He introduces the terms clubs and club membership to refer to specific ownership–consumption agreements. For a purely public good, the optimal club membership size is infinity, as an additional individual can enjoy the good without infringing on the enjoyment of others, i.e., there are no externalities. While goods satisfying this extreme condition are rare, one could think of tuning into one's favourite broadcast: this does not affect other people's ability to tune in, or the pleasure they derive from doing so (assuming one keeps the volume down to a reasonable level!). For a purely private good, the favoured membership is one individual or a family unit. Examples include clothes and a housing unit. Examples of goods falling in between these extremes include public libraries and private sports clubs. In both cases, as the good is shared by an increasing number of people, the utility to each member starts to decrease due to externalities, which can be interpreted as congestion in its broadest sense.
Keywords : *Public Goods, Corporation Region*

Introduction: The study of public goods was intended to bridge the gap between private and pure public. For the former, consumption rivalry is complete, and exclusion is costless; while for the latter, consumption is no rivalrous and exclusion is infeasible. Buchanan (1965) viewed clubs as a private, nongovernmental alternative to the optimal provision of a class of public goods.

Kalyan Dombivali Muncipal Corporation region Jurisdiction there is no optimum size of provision of public goods like transport service, swimming pool, electricity, education, health and sanitation, etc. There might be conflict at local, state, or national level authority in the provision of public goods. Even though the literacy of Kalyan Dombivali Mahanagar corporation region population is quite high, (93.06%) they are not aware about the types of public goods is being supplied by the authorities. Due to environmental hazardous like floods, air-water-noise and industrial pollution many communities had migrated to Kalyan & Dombivali Jurisdiction from nearby places. From this one can understood the level of congestion increased in the recent past period. This has also increased the pressure on the existing availability of public goods. So, the local authority has to rethink about the optimum provision and operating efficiency of public goods.

The objectives of this study are: -

- To study the optimum size and provision of club goods in KDMC area.
- To analyse the satisfaction of communities in KDMC area from the provision of club goods.
- To study the economic literacy of KDMC area in relation to provision of club goods.

Research Methodology:

There will use of primary and secondary data for the present study. Handbook of Maharashtra State for the period 1991 to 2011, Reports and Budget documents of Kalyan Dombivili Municipal Corporation (KDMC), KDMC website, Local print and media sources some of the many for the data and reference work. Articles and Research Papers published in National and International Journals like Journal of Public Choice, Journal of Development, Journal of Political Economy, Journal of Economic Studies, Economic and Political Weekly are to be referred authenticate the propositions. The research papers and working papers at SSRN and Mumbai University are also to be used to accentuate the analysis.

Provision of Public Goods in KDMC Area

1. Road, footpaths, and related services

2. Storm water collection and disposal
3. Wastewater collection, treatment, and disposal
4. Water supply
5. Parks and recreation facilities
6. Libraries, museums, and galleries
7. Public halls and venues
8. Cemeteries and crematoria
9. Public conveniences
10. Flood protection
11. Public transport
12. Car-parking facilities
13. Economic development and tourism promotion
14. Community activities and housing
15. Hospitals, Health Clubs
16. Public Transport

KDMC Expenditure on Provision of Public Goods and Services

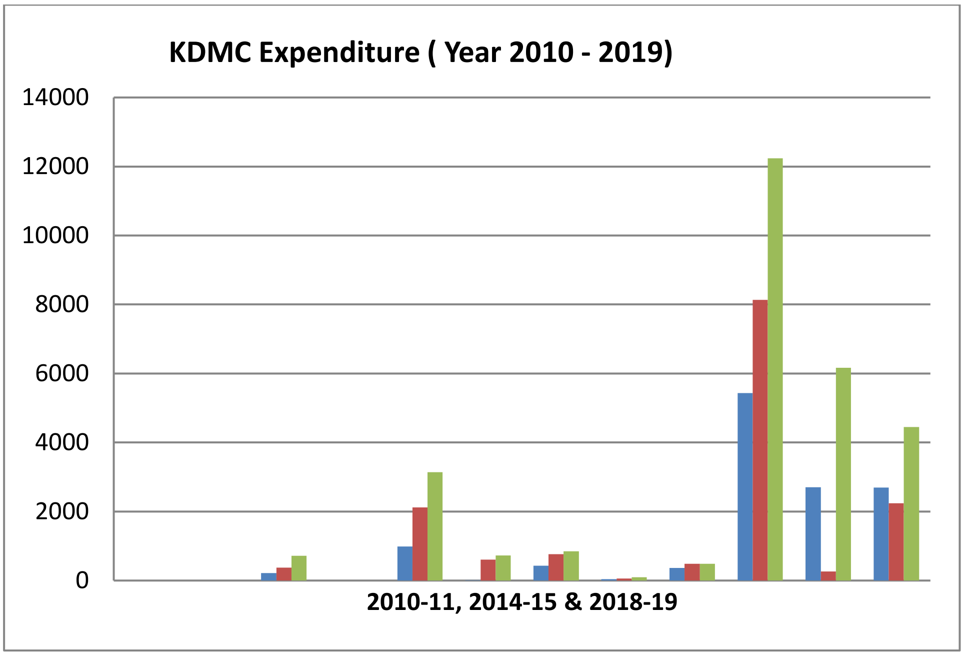
In a democracy, every government accepts the role of a public welfare state and strives to achieve the greatest interests and welfare of the people. While achieving public welfare objectives, the government must spend a lot. Various development works must be done at the local level. These include maintaining law and order, eradicating poverty, increasing employment, and providing education and health facilities. Adolf Wagner (1835-1917) argued that increased government spending is not a coincidence but an increase in government activity. He thinks governments that spend as much as possible are better. Because there is a direct correlation between public spending and economic growth and development. He believes that there are many ways to increase public spending, mainly on law and order, modern and cost-effective technology, health, education, helping the poor and disabled, child welfare, and women's welfare, among other things. The scope of public expenditure is much wider than public revenue. There are limits on the sources of public income. But public spending is unlimited because it is increasing day by day. Because in terms of public interest and administrative interest, the government at every level has to conduct various programs. The functions of the Government are divided into Central, State, District and Metropolitan as per the Indian Constitutional provisions to ensure free benefits to the last person of the total population.

Public expenditure is the expenditure of all governments, including the central government, state governments and local self-government bodies. Public spending has been on the rise in recent times. In the modern economy, the government has not limited its activities but has undertaken welfare and development activities along with internal and external security for development. Kalyan Dombivli Municipal Corporation has been selected for Smart City. If Kalyan Dombivli wants to make the city smart, the metropolitan municipality will have to spend a lot on public service facilities.

Table 1. Expenditure of Kalyan Dombivli Municipal Corporation (Year 2010-11 to 2018-19) (In Rs. Lakhs)

Sr.No.	Perticulars	2010-11	2014-15	2018-19
1	**a. Revenue expenditure**			
	1. Office of the Secretary	257.11	554.53	709.95
	2. Audit Accounts	115.52	203.39	229.22
	3. All General Superintendence	2989.01	6453.01	8536.91
	4. Property tax assessment and collection	497.17	806.49	1459.89
	5. Zakat Compilation	131.24	348.90	256.56
	6. Computer accounts	208.05	309.53	537.99
	Total revenue expenditure	**4545.08**	**8675.85**	**11728.51**
2.	Municipal Accounts			
	1. Expenditure under Special Acts	220.27	379.07	718.11
3.	A. Public safety and comfort	988.47	2120.63	3143.87
	1. Fire departments	0.96	605.47	723.89
	2. Security accounts	429.04	767.37	849.21
4.	D. Department of Property	43.88	56.84	92.82
5.	A.S. Entertainment / Sports	368.11	486.16	490.04
6.	E . Public Sanitation	5435.16	8137.92	12238.48
7.	f. Public Uddanes	2699.86	258.91	6168.23
8.	M.Sc. Elementary teaching	2698.35	2243.10	4445.38
	Total Expenditure	17429.18	23731.30	40598.03

*Source: Kalyan Dombivli Municipality Estimate Sheet (kdmc.org.in) (2010 to 2019).



Conclusion :

India is a second fastest growing economy where 67% of our population is still live in rural areas. They are much more convenient than cash payments. We can't compare us with other develop countries where literacy rate is around 100%. India still has literacy rate 74.04%. There is a lot of development in the field of basic infrastructure is required to make KDMC Efficient in provision of public goods. The Provision of club goods is socially and economically not sufficient. The present study Attempt to provide policy inputs for optimum size of club goods in the changing scenarios in the context of population and their behaviour. It will be helpful to the local government to provision of club goods in efficient manners and helpful to authority to make provision of such goods as per demand in KDMC region.

Reference :

1. Arnott, R. and J. Rowse, 1987, *Peer group effects and educational attainment, Journal of Public Economics.*
2. Arrow, Kenneth, 1972, *Some mathematical models of race discrimination in the labor market,*
3. Artle, R. and Averous, C.P. (1973). *The telephone system as a public good: Static and dynamic aspects. Bell Journal of Economics.*

4. Barro, R.J. and P.M. Romer, 1987, *Ski-lift pricing with applications to labor and other markets, American Economic Review.*
5. Basu, K. (1989). *A theory of association: Social status, prices, and markets. Oxford Economic Papers.*
6. Becker, G.S., 1957, *The economics of discrimination (University of Chicago Press, Chicago).*
7. Berglas, E., 1976a, *Distribution of tastes and skills and the provision of local public goods, Journal of Public Economics*
8. Berglas, E. and D. Pines, (1981). *Clubs, Local public goods, and transportation models: A synthesis, Journal of Public Economics 15 (2),*
9. Charles K.Rowley, Friedrick Schneider, (2004), *The Encyclopaedia of Public Choice Volume 2, P457, P459*
10. Edward H Clarke, (1996), *Demand Revelation and The Provision of Goods, P4, P22 Richard Cornes and Todd Sandler, (1996), The Theory of Externalities, Public Goods and Club Goods, 2nd Edition, P8-9*
11. Stephen Shmanske Public Goods, (1991), *Mixed Goods and Monopolistic Competition, P3, P31*

Study of Impact of Covid-19 Pandemic on Performance of Indian Banking Sector

Ms.Anita Sule
Research Scholar
Email-anitaksule@gmail.com
Contact:9822307158

Dr. Mahavir Shetiya
Research Guide
Email: mahavirshetiya@gmail.com
Contact: 9730472993

Abstract :
The COVID-19 pandemic adversely affected on various industrial sectors of India. It has also impacted on other countries across globe. In our country it has resulted an adverse growth rate in economic sector. Most of the sectors were performing well before the pandemic but now they have been pulled down by this pandemic, therefore it is necessary to study and analyze about the sectors Which are badly impacted by pandemic, Banking sector is one of them. Indian banking sector plays a vital role in Indian economy. This sector is responsible for all the financial activities going on in the country and working as a supporting hand to all of the industries in terms of financing, credit, transactions, collection and payment and so on. This paper is focusing on the performance of Indian banking sector during covid 19. Problems and hurdles faced by banks during pandemic. This research paper is an attempt to find and make conclusions for the banking sector.
Keywords : *Covid 19, pandemic, banking sector, Performance*

Introduction :

To prevent the spread of the Covid-19, lockdown was declared by government. This lockdown has stopped economic activities in many sectors. Banking sector is one of them. The covid 19 has indirectly affected on banking sector. Banking sector was not able to work directly with their customers. Payment, savings, credit and risk management services extend the adverse effect of the Covid-19 crisis to banks and other financial institutions.

A Bank is an institution that has the primary function of depositing and lending money to needy Individuals, businesses and governments. Banks around the world are considered trustworthy. When a person deposits money in a Bank, he knows that the money is safe with the bank.

The Bank provides many facilities to the customers such as providing loans, providing plastic money like debit and credit cards measures to generate demand and ease the liquidity by ensuring public sector banks lend further to NBFCs, introducing partial credit guarantee scheme, organizing loan mela etc. prominent position in India’s economy and contribute to employment in India. Unfortunately of Banks has deteriorated.

Objective of the Study:

- To study Impact of Covid-19 pandemic on Performance of Indian Banking Sector
- To give suitable suggestions for the same.

Research Methodology:

Data Collection :

The data is collected from Secondary sources of internet, reference books, journals, articles etc.

How does the covid 19 affect banks:

This covid 19 affected on day to day life of the people .The banking sector has the role of supporting firms and households, during this period of lower revenues and incomes, which has triggered important policy actions by financial supervisors and governments.

This covid 19 affected the banking sector by following ways.

1. Most of the firms that have stopped working miss out on revenues, because of this they may not be able to repay loans. Similarly households with members who have lost their jobs have less income, and therefore might not be able to repay their loans. This will result not only in lost revenue but also in losses (if repayment capacity is permanently impaired), adversely affecting profits and bank capital. And a speedy recovery becomes less likely, banks can expect further losses, resulting in the need for additional provisions, further undermining their capital position and profitability.
2. Banks are negatively affected as bonds and other traded financial instruments have lost value, resulting in further losses for banks. There might also be losses from open derivative positions that have moved in unforeseen directions due to the crisis.
3. Banks face increasing demand for credit, as especially firms require additional cash flow to meet their costs even in times of no or reduced revenues. In some cases, this

higher demand has presented itself in the drawdown of credit lines by borrowers.

4. Banks face lower non-interest revenues, as there is lower demand for their different services. For example, there are fewer payments and transactions to be done with lower economic activity, and fewer security issues by corporates reduce fee income for investment banks.

How does the covid 19 affect banks?

Losses and lower capital buffers in banks can have negative overflow effects, which might make banks' solvency position even inferior and might also weaken the broader economy. Banks might sell bonds as well as other traded financial instruments for improvement in their liquidity position or to make up for losses, with prices of these instruments falling as a result and negatively affecting other banks that hold them.

Banks might reduce credit provision to the economy, thus adversely affecting firms relying on such buffers, discouragement their survival.

The impact of the pandemic on the banking system given a major difficult task to serve its customers in such a pandemic situation, especially when we are thinking about its sustainable development.

The COVID-19 pandemic is altering many things in the banking system: the way they work, new operations, and events. The vital nature of the banking services required them not to shutdown all their branches and to ensure people's access to financial resources. Around a sector of bank branches have closed during the eruption in many countries and territories because of the safety of employees, staff shortages, and less trade occurring in general. Of the remaining 75 percent, many are open on reduced hours and with reduced staff (KPMG, 2020b). With all these challenges around them, they need to pay attention to the strategy that defines their future. According to PWC (2020b), they need en route for business continuity planning on issues for survival: adjust branch hours and staffing mix and times, switch in-branch visits to appointment-only, close some branches for the time being. All these changes implemented in the way they work wil

Suggestion :

1. Banks should focus on sustainability with the help of adopting new technology. This new technology should introduce in rural sector.
2. Awareness for this new technology should be given to the Customers by arranging free of cost training session for them.

3. Bank should provide door to door facilities to senior citizens to retain their customers during pandemic.
4. By introducing scheme of subsidy on loans, banks can recover their loans to some extent from customers.
5. Banks can ask customers to go for digitization by using mobile banking, net banking facility.

Conclusion :

While the banking sector will be adversely affected by the pandemic, it is also serious for economic recovery. But the pandemic will strengthen competitive pressures on banks by accelerating trends towards new technology, introducing digitalization and new financial service providers**.**

The pandemic has also had many significant implications for the banking sector, including the creation of new loan programs, shifts in consumer preferences, changes in depositor behavior, and changes in loan demand and supply.

Optimizing Organizational Excellence: An In-Depth Examination of Human Resources Audit Methodologies and their role in Ensuring Sustainable Business Success

Miss. Mayuri Shivaji Jejurkar
(Research Scholar)
mayurijejurkar1@gmail.com
Contact No.- 8080680003

Dr. Kishor N. Jagtap
(Research Guide)

Abstract:
This research paper delves into the crucial role of Human Resource audits in contemporary organizations, highlighting their importance in driving sustainable business success. The paper explores various Human Resource audit methodologies, their significance in talent management, compliance, and risk mitigation, and how they contribute to achieving organizational excellence. A comprehensive analysis of HR audit best practices is presented, with real-world case studies illustrating the tangible benefits for companies. Furthermore, this paper sheds light on the evolving landscape of HR audits in response to technological advancements and changing workforce dynamics. In conclusion, it emphasizes the need for organizations to prioritize HR audits as a strategic tool for sustaining and enhancing their competitive edge in a dynamic global market.
Key words: *Human Resources (HR) audits, organizational growth, talent audits, strategic audits*

Introduction:

In an era of rapidly evolving business landscapes, characterized by dynamic market conditions, technological advancements, and shifting workforce dynamics, organizations find themselves at a crossroads. The pursuit of organizational excellence, characterized by superior performance, operational efficiency, and sustained growth, is an imperative. To navigate this complex terrain, businesses have increasingly turned to Human Resources (HR) audits as a strategic tool to assess, enhance, and optimize their organizational capabilities.This research paper embarks on an in-depth exploration of HR audit methodologies and their pivotal role in shaping and sustaining business success. Under the overarching theme of "Optimizing Organizational Excellence," we embark on a journey to unravel the intricate layers of HR audits, their methodologies, and their impact on organizational dynamics. By delving into these facets, we aim to shed light on how HR audits are not just compliance-driven routines but indispensable drivers of competitive advantage and long-term sustainability.

The Context of HR Audits

Over the years, HR functions have transcended their traditional roles and have become instrumental in driving strategic initiatives within organizations. This transformation has elevated the role of HR audits, making them more than a routine exercise for compliance and risk management. Today, HR audits encompass a spectrum of methodologies that extend beyond mere regulatory adherence, encompassing talent management, performance evaluation, risk mitigation, and the alignment of HR strategies with broader business objectives.

The Imperative of Sustainable Success: The business world is rife with examples of organizations that have flourished for a while but failed to endure due to inefficiencies, inadequate risk management, or a lack of alignment with changing market demands. Achieving sustainable success, where businesses not only thrive but continue to do so over time, is the new benchmark for organizational excellence. It necessitates a forward-looking approach, and HR audits play an indispensable role in shaping the path to such sustainability.

Objective:

- To comprehensively investigate the methodologies of Human Resources (HR) audits and their pivotal role in achieving sustainable business success by optimizing organizational excellence.

Specific Research Objectives:

- To provide a detailed analysis of various HR audit methodologies, including compliance audits, talent audits, risk management audits, strategic audits, and performance audits.
- To assess the impact of HR audits on employee engagement, satisfaction, and retention within organizations.
- To examine how HR audits contribute to organizational growth, agility, and competitiveness in a dynamic business environment.
- To evaluate the effectiveness of HR audits in mitigating legal, ethical, and operational risks within organizations.

- To explore how HR audits support strategic decision-making processes and facilitate alignment with overall business goals.

Scope of Study:

This research will focus on HR audit methodologies and their applications in organizations across various geographic regions and industries. While it will not limit itself to a specific geographic location, it will consider case studies and examples from a diverse range of organizations to provide a comprehensive perspective. The study will encompass a wide spectrum of industries, including but not limited to manufacturing, services, healthcare, technology, and finance. This diversity will allow for a more comprehensive analysis of HR audit methodologies. The research will cover various types of HR audits, such as compliance audits, talent audits, risk management audits, strategic audits, and performance audits, with an emphasis on their methodologies and applications. The study will primarily focus on HR audit practices and methodologies up to the knowledge cutoff date of September 2021. However, it may briefly discuss emerging trends and future considerations in HR audits. The study will consider HR audit practices in organizations of different sizes, ranging from small and medium-sized enterprises (SMEs) to large multinational corporations. This research paper will follow a primarily qualitative approach, incorporating case studies, literature reviews, and expert opinions to provide a comprehensive understanding of HR audit methodologies. It may include quantitative data where applicable.

Limitations:

Due to the evolving nature of HR practices, this study's findings may not reflect the very latest developments in HR audit methodologies beyond the knowledge cutoff date. The study may not cover every specific HR audit methodology in exhaustive detail due to the wide array of audit types and practices available. The research may not encompass every industry or geographic region in equal depth; instead, it will provide a broad overview based on available literature and case studies. The study will not address specific legal or regulatory issues related to HR audits, as these are subject to change and may require legal expertise beyond the paper's scope.

The Future of HR Audits :

In the ever-evolving landscape of business and human resources, the future of HR audits is poised to be a transformative one. HR audits, once seen as a static compliance process, are increasingly adapting to the dynamics of modern organizations and the changing nature of work. As we gaze into the future, we can anticipate several pivotal trends that will shape the course of HR audits:

Technology's Role in HR Audits :

The digital age has ushered in a technological revolution that has not spared the realm of HR audits. Technology is set to play an even more significant role in HR audits, offering tools and methodologies that are faster, more accurate, and predictive in nature.

- Data Analytics and Predictive Insights: Big data analytics will become the cornerstone of HR audits, providing organizations with predictive insights into employee behavior, turnover, and performance. This data-driven approach will enable proactive decision-making and strategic planning.
- Automation and Artificial Intelligence: Routine tasks within HR audits, such as data collection and analysis, will be automated using AI and machine learning. This will free up HR professionals to focus on strategic initiatives and human-centric aspects of the audits.
- Cybersecurity and Data Privacy Audits: With the increasing importance of data protection and privacy regulations, HR audits will also encompass cybersecurity and data privacy assessments, ensuring compliance and safeguarding sensitive employee information.
- Remote and Flexible Workforce Challenges: The proliferation of remote and flexible work arrangements will introduce new complexities into HR audits. As more organizations embrace virtual work, HR audits will need to address challenges related to managing remote teams, ensuring equitable work conditions, and fostering a sense of belonging.
- Virtual Employee Engagement: HR audits will explore new methodologies for gauging virtual employee engagement and satisfaction. Techniques such as sentiment analysis in digital communication will become integral.
- Performance Assessment in Virtual Workspaces: HR audits will adapt to evaluate performance in remote environments, emphasizing output-based assessments and utilizing technology to monitor productivity.
- Work-Life Balance and Mental Health Audits: The holistic well-being of employees will be a central focus, with HR audits extending beyond professional development to assess work-life balance and mental health support.

Sustainability and HR Auditing :

Sustainability is no longer an optional consideration for organizations. HR audits will play an instrumental role in assessing and promoting sustainability practices within the workforce and the broader organization.

- Diversity and Inclusion Audits: HR audits will evolve to encompass diversity and inclusion assessments, ensuring organizations foster diverse and equitable workplaces. Metrics will extend beyond compliance to the creation of inclusive cultures.
- Environmental and Social Responsibility Audits: HR audits will expand to assess an organization's commitment to environmental and social responsibility. This includes evaluating sustainable practices, CSR initiatives, and ethical supply chain management.
- Globalization and Cross-Cultural HR Audits- As organizations continue to globalize, HR audits must adapt to the intricacies of cross-cultural work environments.
- Cross-Cultural Competence Audits: HR audits will assess an organization's ability to foster cross-cultural competence and adaptability among its workforce, promoting effective collaboration across borders.
- Global Compliance Audits: Globalization necessitates adherence to diverse labor laws, regulations, and cultural norms. HR audits will expand their scope to ensure compliance with international standards.

In conclusion, the future of HR audits is a dynamic landscape that mirrors the evolving nature of the workforce and organizations. To ensure sustainable business success and organizational excellence, HR audits must continuously adapt to harness the power of technology, address the challenges of remote work, promote sustainability, and navigate the complexities of globalization and cross-cultural interactions. These trends underscore the evolvingsignificance of HR audits in shaping the workforce and organizations of tomorrow.

Conclusion :

In the pursuit of organizational excellence and sustainable business success, the role of Human Resources (HR) audits emerges as a critical factor. This research paper has embarked on an in-depth examination of HR audit methodologies, exploring their multifaceted applications and their impact on organizations. The findings and insights gleaned throughout this study affirm that HR audits are not merely bureaucratic exercises but dynamic tools for fostering organizational excellence.

Key Findings: Throughout our exploration, several key findings have surfaced:

Comprehensive HR Audit Methodologies: HR audits encompass an array of methodologies, from compliance and talent audits to risk management, strategic, and performance audits. These methodologies offer organizations multifaceted insights, facilitating holistic growth and development.

Enhanced Employee Engagement and Satisfaction: HR audits have proven instrumental in improving employee engagement and satisfaction, thereby fostering a motivated and productive workforce.

Driving Organizational Growth: By aligning HR strategies with broader business goals, HR audits contribute to organizational growth, agility, and competitiveness, enabling organizations to adapt to an ever-evolving business landscape.

Mitigating Legal and Ethical Risks: HR audits serve as a robust mechanism for mitigating legal, ethical, and operational risks within organizations, thereby safeguarding reputation and integrity.

Strategic Decision-Making Support: The data and insights derived from HR audits empower organizations to make informed strategic decisions, underpinning their long-term success.

Recommendations for Organizations :

Based on the research findings, we offer the following recommendations for organizations:

Implement HR Audits as a Strategic Imperative: Embrace HR audits as a strategic tool rather than a mere formality. Integrate them into the organization's core processes to harness their full potential.

Continuous Improvement and Benchmarking: Continuously evaluate and refine HR audit practices, ensuring they remain aligned with the organization's goals. Benchmark against industry best practices to stay competitive.

Data Analytics and Technology Integration: Leverage data analytics and technology to enhance the efficiency and effectiveness of HR audits. Utilize data-driven insights to drive informed decision-making.

Prioritize Employee Engagement: Invest in initiatives aimed at enhancing employee engagement and satisfaction. An engaged workforce is more likely to contribute to organizational excellence.

Globalization and Cross-Cultural Considerations: As organizations expand globally, consider the unique challenges posed by cross-cultural HR audits. Tailor audit practices to accommodate cultural diversity and local nuances.

Sustainability and Ethical Auditing: Incorporate sustainability and ethical considerations into HR audit practices. These elements are increasingly important for organizations aiming to achieve long-term success.

Final Thoughts :

In closing, the quest for organizational excellence is an ongoing journey that demands a holistic approach. The adoption of HR audits, as evidenced throughout this research, offers organizations a vital means to navigate the complex and ever-changing business landscape. The transformative role of HR audits in enhancing talent management, promoting compliance, mitigating risks, and fostering strategic alignment cannot be understated. As organizations evolve, HR audits must evolve in tandem. This adaptability is essential to remain relevant and effective. The case studies presented in this paper underscore how innovative organizations have harnessed the power of HR audits to optimize their workforce and ultimately ensure sustainable business success.In the dynamic and competitive world of business, the realization that HR audits are not merely a compliance checkbox but a strategic imperative is paramount. By embracing the principles, methodologies, and recommendations outlined in this research, organizations can embark on a path towards true organizational excellence and lasting success.

References:

1. Biswas, S., & Bhatnagar, J. (2013). *Mediator analysis of employee engagement: role of perceived organizational support, PO fit, organizational commitment and job satisfaction. Vikalpa, 38(1), 27-40.*
2. Agarwala, T. (2003). *Innovative human resource practices and organizational commitment: An empirical investigation. International journal of human resource management.*
3. Roy, G. K., Mall, M., & Parida, P. (2020, November). *Impact of HR audit on Organisational Performance: A study on Power sector Organisations in Arunachal Pradesh, India* Gautam Ku. Roy1, Manmohan Mall2 and Prataprudra Parida3. In 6th International Conference on Computers, Management and Mathematical Sciences (ICCM 2020).*
4. Bieliaieva, N. (2019). *International practice of the concepts use of "HR audit", "staff audit", "personnel audit". Economics. Ecology. Socium, 3(3), 94-101.*

A Study on Recruitment & Selection in Human Resource Management

Hambirrao B. Yewale (Research Scholar)
Poona College Of Arts Science & Commerce, Camp, Pune.
Email. hbyewale@gmail.com
Mobile. 9860222593 / 8806337575

Dr. Nasrin P. Khan, (Research Guide)
Head Dept. Of Commerce,
Poona College Of Arts Science & Commerce,
Camp, Pune.

Abstract:
Human Resource Management (HRM) is the term used to describe formal systems devised for the management of people within an organization. The responsibilities of a human resource manager fall into three major areas: staffing, employee compensation and benefits, and defining/designing work. Essentially, the purpose of HRM is to maximize the productivity of an organization by optimizing the effectiveness of its employees. This mandate is unlikely to change in any fundamental way, despite the ever-increasing pace of change in the business world. As Edward L. Gubman observed in the Journal of Business Strategy, "the basic mission of human resources will always be to acquire, develop, and retain talent; align the workforce with the business; and be an excellent contributor to the business. This paper is aims to how to study the recruitment and selection process of employees in HRM.
Keywords: *Human Resource Management, recruitment and selection, methods, process*

Introduction:

Human resource management is a general term used to describe a variety of functions aimed at effectively managing an organization’s employees or human resources .Human resource management is the comprehensive set of managerial activities and tasks concerned with developing and maintaining a qualified workforce in way that contribute to organizational effectiveness. It Assists organizations to meet their strategic goals by attracting and retaining qualified employees and managing them effectively while ensuring that the organization complies with corporate social responsibility.

Due to increased complexity in global business rapidly changing and highly competitive environment , effective human resource management is vital strategic concern for organization's today. The human resource function plays an increasingly important role in an organization's ability to discover and manage natural resources, success today goes to the organizations that most effectively discover, develop and manage their human resources. In the new economy, raw material and capital can be brought from anywhere at any time, organizational success will definitely depend on skills, creativity and ideas.

Definitions

- According to Robert Kreitner "Human resource management is the proactive acquisition, retention and development of human resources necessary for organisational success."
- Accroding to Schermerborn : 2002 "Human resource management is strategic process and involves attracting, developing, and maintaining a talented and energetic workforce to support the organisation's mission, objectives and strategies."

Objective :

- To study the methods of Recruitment in HRM.
- To study the various methods and process of selection of employee in HRM.

Research methodology :

For this study secondary data has been used. The data has been collected through internet, websites etc.

Findings :

Scientific method of recruitment and process of selection of employees and sources of recruitment

Recruitment :

Recruitment methods are the tactics a company uses to find viable candidates and entice them to apply for jobs. Choosing the right recruitment methods will depend on the skills you need, the type of candidate you're looking for, the experience level required, your budget, your time frame, and the hiring resources you have available.

Most companies use a number of different recruitment methods, shifting their recruiting strategy over time to meet their evolving staffing needs.

Methods of Recruitment

1. Referrals : Referrals are when existing employees recommend candidates for an open job. Not only do referrals have a strong likelihood of candidate success, but they're also incredibly cost-effective because they eliminate the need for sourcing and require less heavy screening.

2. Promotions and transfers : Promotions and transfers occur when an existing employee moves into a lateral or more senior role in the organization. These recruitment methods capitalize on your internal knowledge base while reinforcing your company culture. They also demonstrate your commitment to employee development and can aid in retention.

3. Talent pipeline : Using your talent pipeline involves combing your talent database (i.e., your applicant tracking system) for candidates who are a strong fit for an available or upcoming position. The beauty of a talent pipeline is that it's evergreen; candidates can enter it at any time and be considered for a role months or even years into the future.

4. Organic job posts : This is the recruitment method most companies use by default. It involves posting a job listing publicly, usually online via the company's website and job boards. Organic posts are listings you don't pay for. While it's possible for these types of listings to produce qualified applicants, they also tend to bring in lots of unqualified candidates who are scrolling job boards and applying for any opening regardless of whether they meet the qualifications. The old adage 'you get what you pay for' applies.

5. Paid advertising : With paid advertising, you spend money to amplify your job listing to people who are likely to be qualified candidates. For example, when you advertise a position on LinkedIn, you can target your post to users in certain locations with a specific number of years of experience, who have held certain job titles, and more. There are even targeting capabilities that can reach users who are actively job searching, making your ads even more compelling.

6. Inbound recruiting : Inbound recruiting is the process of creating content that draws candidates in and compels them to apply for a job (versus external recruiting, which involves you reaching out to the candidate). Inbound recruiting strategies include blog posts, videos, employee testimonials, and employer branding efforts, just to name a few. While inbound recruiting produces strong candidates, it can take a long time before it starts paying off.

7. Social media : Around 80% of adults in the U.S. use social media, making it a great place to get the word out about your job openings. Social media (with the exception of paid ads) is a form of inbound recruiting where you're creating content designed to get potential applicants to engage with your brand. Like other forms of inbound recruiting, social media is a long game and works best once you've put in the work to build a solid audience by creating great content on an ongoing basis.

8. Job fairs : Career fairs and other events for job seekers put you face-to-face with prospective new hires. In addition to hiring for jobs you currently have open, they can help you build your employer brand and gather applicants to keep in your talent pipeline. Though career fairs come with a fee for employers to attend, they're a good outlet for finding available candidates quickly.

9. Professional events : Conferences, trade organization meetings, and other industry-specific events can help employers connect with candidates in a specific field or skill area. They're a good way to meet passive candidates–candidates who are not necessarily job searching but who may be interested in new opportunities. To recruit using professional events, you'll need a system for following up with the contacts you make, like using email nurturing sequences to stay in touch and share future job openings.

10. Internships : Internships aren't just for helping students gain experience; they're also meant to help employers cultivate a pool of viable young talent. For best results, internships should be well structured and should involve participants in a range of activities within the business. This enables employers to identify interns' strengths while helping interns zero in on their areas of interest.

11. Recruiting agencies : Third-party recruiters are experts in sourcing and screening candidates. They can help companies hire quickly and accurately, especially for specialized roles. A recruiting agency can function as a partner to a company's in-house recruiting resources or completely manage the full scope of a company's hiring needs.

Selection :

Candidate selection is the method employers use to narrow down the pool of all applicants and ultimately choose a top candidate from the list of finalists for a job. An efficient selection process is crucial in making accurate hiring and getting the right person for the job quickly.

Methods of Selection

1. Resume screening : Resume screening is typically the first step in assessing candidates. A hiring manager or recruiter quickly scans a resume to get an idea of a candidate's skills and experience to make a yes or no determination on whether they qualify for a closer look.

2. Phone screening : After narrowing down the initial pile of resumes, a phone screening is used to qualify each candidate better. It's usually conducted by someone other than the hiring manager and involves high-level questions about a candidate's background and experience. Phone screenings are sometimes done via video.

3. Interview : Candidates whose phone screening indicates a strong fit will advance to the interview round, which is the most in-depth part of the selection process. Interviews consist of one or more conversations, usually in person, with hiring decision-makers. They cover every aspect of a candidate's qualifications, including their specific job experience and accomplishments in prior roles. While interviews have their flaws (like selection bias), they're generally the best tool recruiters have for assessing candidates and seeing how they compare against one another.

4. Group interview : A group interview is where more than one candidate is being interviewed at a time. These can save time and when you're looking to hire more than one person for a job. They also allow hiring managers to see how candidates interact with others.

5. Panel interview : In a panel interview, a candidate speaks with more than one interviewer at a time. Panel interviews are helpful when you need to involve multiple decision-makers but don't want to drag the process out over multiple rounds of interviews. They can help you see how a candidate handles themself under pressure and also give you the advantage of incorporating questions from interviewers with different expertise.

6. Skills assessment : There are some jobs where it's difficult to assess a candidate's abilities based on an interview alone. These positions call for a skills assessment, which tests candidates' technical capabilities. In addition to giving you an objective comparison of different candidates (i.e., a score on a scale of 1 to 100), skills assessments can help eliminate bias and encourage candidates from nontraditional backgrounds.

7. Personality assessment : A personality assessment aims to identify a candidate's characteristics beyond their technical skills, like their communication style and work preferences. While personality assessments don't have "right" or "wrong" answers, they can be helpful for zeroing in on strong candidates for positions where certain personalities are more likely to succeed, like sales and customer service roles.

8. Mock assignment / job audition : In a mock assignment or job audition, a candidate completes a task that's comparable to the work they'd be doing in the actual job. One of the biggest pitfalls of hiring is that we can't actually see how a candidate performs until they're on the job; mock assignments are the closest a hiring manager can come to seeing an applicant's skills firsthand before committing to hiring them.

9. Reference check: Reference checks should happen in the final stages of the hiring process, prior to making an offer (you'd be surprised how many companies wait to check references until an offer has been made!). While references aren't always the easiest or the most reliable tool to help with candidate selection, they can be invaluable in uncovering glaring red flags, like if a candidate fabricated their job history.

10. Background check: Background checks are less about helping you select the right candidate and more about preventing you from choosing the wrong one. Once you've honed in on a top choice using other selection methods, you might choose to use a background check as the final hurdle to clear before making an offer.

Steps in Selection Process

1. Preliminary Interview : Once a requirement is posted, a company may receive hundreds of thousands of applications. In a granular pre-process, the preliminary interview is conducted to weed out all candidates who do not meet the essential eligibility criteria – educational qualifications, required skill sets, proven certifications, and experience. Candidates may also be assessed based on their background and level of interest.

Some companies employ innovative techniques to bring the right candidates to the table right from the get-go. For example, Uber deployed "Code on the road," an in-app coding game that took candidates straight to the next stage of the selection process if they passed the challenge! Gamifying recruitment selection is among the latest trends in HRM.

2. Receiving Applications : Once candidates pass the preliminary interview, organizations must aim to standardize the application process. Here, candidates must fill out a standard application form that collects bio-data, qualification, experience, background, and educational information. The application could gather a broader understanding of the candidate, such as hobbies and interests. A comprehensive application form will come in handy during the final selection process when decisions are to be made between similar candidates.

3. Screening Applications : This stage includes short listing potential candidates from the pool of applicants who applied. The screening committee constitutes various team leads, department members, inter-department associates, and coordinators who would be working closely with the selected candidates. Screening can include multiple criteria, including educational prowess, relevancy in terms of experience, etc. The interview details and requirements are shared with potential candidates via a call or email.

4. Preliminary Tests : Preliminary tests are an essential part of the job selection process. They assess the aptitude, IQ, emotional intelligence, proficiency, and personality of candidates. While some organizations hold these tests remotely, many prefer to arrange a test venue generally within organizational premises. Should they be held at the premises, the candidates are informed of the itinerary.

5. Employment Interview : The selection interview is the crux of the entire process. It could be defined as an in-person conversation that puts candidates on their feet. This step signals how well he/she fits into the company ethos. During this stage, companies provide a detailed brief of the job profile, including the roles and responsibilities that the candidate is expected to shoulder. Likewise, the candidate is encouraged to share his/her concerns or queries with the employer.

The employment interview itself may be divided into several rounds, including group discussions and other activities. In-person interviews allow employers to judge the candidate's caliber, personality, teamwork, and leadership skills.

6. Checking References : Although in-person interviews provide a fair idea about the candidate, contacting references allows employers to verify their understanding. Through discussions with references who vouch for the candidates' professionalism and work ethics, they may discover other qualities about him/her. For this stage of the recruitment process in HRM, organizations may reach out to previous employers or the concerned educational institutions.

7. Medical Examination : Although not strictly followed, medical examinations are slowly becoming commonplace among organizations today. Modern companies are viewing medical fitness (both mental and physical) as a cost function. A healthy employee would require fewer sick leaves and handle stress relatively quickly, allowing greater productivity in dynamic, fast-paced environments. Some employers view this matter seriously and consider this a preliminary phase during the screening stage.

8. Final Selection : The last phase of the selection process is to cross the t's and dot the i's; candidates who have successfully qualified through all rounds of the recruitment and selection in HRM receive an offer/appointment letter from the organization. More often than not, candidates receive a temporary position with an assurance of permanency on completion of the probation period. The appointment letter typically includes all such details, including salary and company policies. Candidates may also be asked to sign an NDA (Non-Disclosure Agreement) that ensures the protection of company data.

Conclusion :

As per my study, out of the various methods of recruitment of candidates, the best one is – getting references via references and networking. In the process, I came across various experiences where the role of an HR and the relevant traits he finds in the candidates were displayed. Organization should focus on long term consistent performance rather than short term. The emphasis towards training and enhancing skills of recruiters needs to be more and also consistent .Even though an HR manager has many challenges to face in order to ensure that the human resource department contributes to the bottom-line and emerges as a strategic partner in the business, it is" Talent acquisition", that is the key determining factor in how well an Human resource

References :

1. *Essential of human resource management and industrial relations, subbarao Mumbai, Himalaya publishing house, 1996*
2. *https://www.4cornerresources.com/blog/methods-of-recruitment-selection/*
3. *https://www.onlinemanipal.com/blogs/selection-process-in-human-resource-management- easy-steps-to-follow*

"Financial Literacy and Its Role in Enhancing the Investment Strategies of Individual Investors"

Mr. Sachin Suresh Bidave

PhD- Research Scholar

DVVPF's Institute of Business Management and Rural Development, Ahmednagar.

Dr. Sudarshan Arjun Giramkar

PhD- Research Guide

DVVPF's Institute of Business Management and Rural Development, Ahmednagar.

Abstract:

This study aims to explore individuals' investment behaviors and their financial knowledge. The survey data reveals that the majority of participants prefers low-risk investment options and has a moderate level of confidence in their ability to make sound investment decisions. For most respondents, the anticipated return on investment is the primary consideration when making investment choices, while factors such as risk and diversification are secondary concerns for a smaller group. Additionally, the findings indicate that many participants have not attended financial seminars or workshops and have not developed structured financial or investment plans. When confronted with an investment loss, most individuals tend to wait for market recovery rather than seeking professional advice or selling their assets right away. Research findings also suggest that financial advisors have a limited influence on investment decision-making, with most individuals choosing to rely on personal research and experience instead of consulting professionals. The data further reveals that only a small proportion of respondents invest in Crypto-currency, Loan syndication and other investment vehicles are more commonly preferred.In conclusion, the study offers valuable insights into personal investment behavior and financial literacy, highlighting areas where education and training could play a crucial role in enhancing investment strategies and financial planning.

Keywords: Investment, New Financial Product- Fintech, Indain Financial Landscape

1. Introduction:

Financial Products: In India, popular financial products (Fintech) include Crypto-currency, Loan syndication, Peer to Peer Lending, Custodial Services, Factoring However, investing in Crypto-currency, Loan syndication is generally considered more affordable compared to traditional investment options like savings accounts, fixed deposits, insurance policies, stocks, and mutual funds.

Legislation: The Indian financial market is governed by various regulatory bodies such as the Reserve Bank of India (RBI) and the Securities and Exchange Board of India (SEBI). The government has introduced several initiatives to promote financial inclusion and literacy, including the National Strategy for Financial Education and the Pradhan Mantri Jan Dhan Yojana (PMJDY) program.

Economic Status: India is the sixth-largest economy globally, experiencing significant growth in recent years. However, the country continues to grapple with persistent economic challenges such as inflation, high unemployment rates, and widening income inequality.

Education: Financial education is not a part of the formal curriculum in Indian schools. Nevertheless, various institutions, including banks and nonprofit organizations, offer financial literacy programs aimed at adults.

2. Literature Review:

The role of financial literacy in shaping the investment behaviors of retail investors has become an increasingly important topic of research, particularly within the context of the Indian financial market. A significant body of literature has emerged to explore how varying levels of financial knowledge influence the decision-making processes of investors.

To begin with, studies by Mishra and Pradhan (2018) have shed light on the financial literacy levels of Indian retail investors, revealing considerable gaps in their understanding of investment instruments, risk management, and the broader landscape of financial planning. Their findings suggest that a lack of comprehensive financial knowledge is a key barrier to making informed investment decisions. In a similar vein, Sharma and Chatterjee (2020) highlight the crucial role of financial education programs. They argue that such initiatives can play a pivotal role in bridging these knowledge gaps, thereby helping investors make more informed and prudent investment choices.

In addition, the work of Gupta and Singh (2019) examines how financial literacy influences investment diversification, emphasizing its importance in reducing risk and optimizing portfolio returns. Their research suggests that well-informed investors are more likely to diversify their investments, which in turn can enhance overall portfolio performance and minimize exposure to risk. Another noteworthy study by Jain and Agarwal (2021) explores the relationship between financial literacy and investor confidence. They find that individuals with higher levels of financial literacy tend to exhibit greater confidence in their ability to manage risks, which encourages them to engage more actively in exploring diverse investment opportunities.

Furthermore, demographic factors such as age, income, and education have been identified as key moderating variables in the relationship between financial literacy and investment behavior. Kumar and Gupta (2020) conducted empirical analyses that demonstrate how these demographic characteristics influence the effectiveness of financial literacy on investment decisions. Their study suggests that financial education programs need to be tailored to different demographic segments to maximize their impact, as younger or more affluent investors may benefit from different types of financial knowledge compared to older or less educated individuals.

3. Research Objectives:

1. Assess the extent of financial literacy within the target group of Individual Investors in Ahmednagar District.
2. Investigate how varying levels of financial literacy influence the investment behaviors of Individual Investors in Ahmednagar District.
3. Explore the impact of financial knowledge and comprehension on the investment decision-making process.
4. Examine the relationship between financial literacy and risk tolerance in Individual Investors in Ahmednagar District.
5. Evaluate the effect of financial education programs on enhancing investment behaviors.
6. Offer a deeper understanding of how financial literacy contributes to the financial well-being of Individual Investors in Ahmednagar District.

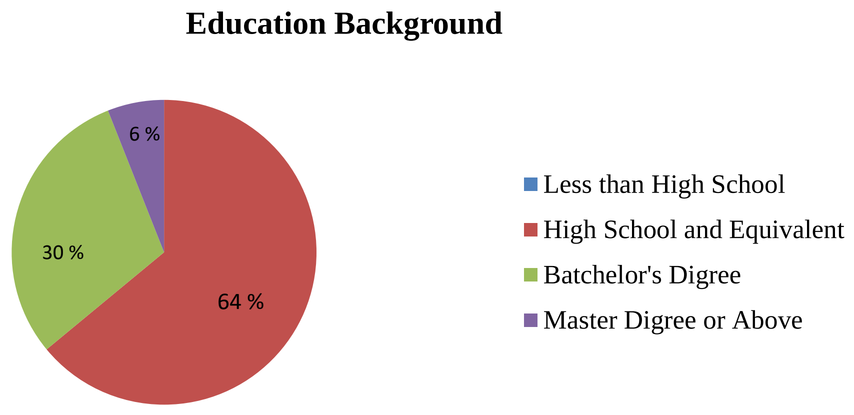
4. Research Methodology:

Data Structuring: Cross-sectional research entails gathering data from a specific population sample at a single point in time. This research framework facilitates the collection of information on various variables, which can be analyzed to uncover relationships and trends. A quantitative research approach is particularly fitting for exploring financial literacy and investment choices, as it enables the collection of numerical data that can be examined through statistical techniques. The selection of a cross-sectional design is ideal for this study, as it enables data collection from a broad sample of retailers in India. This design is practical and efficient, allowing for rapid data gathering from a representative sample. Furthermore, cross-sectional surveys enable the comparison of data across diverse demographic segments—such as age, income, education, and gender—which can reveal significant patterns and trends in financial literacy and investment behavior. Additionally, this design supports the use of structured questionnaires, making it possible to systematically collect data on specific variables related to financial knowledge and decision-making in high-investment scenarios. The standardized nature of these surveys ensures that all respondents are asked the same questions, minimizing bias and enhancing the reliability of the gathered data.

Data Collection: When researching financial literacy and its influence on retail investors' investment choices in India, the online self-administered survey emerges as an ideal method for data collection. Over recent years, online surveys have gained popularity due to their practicality and cost-effectiveness. They enable researchers to reach a broad and diverse group of participants easily, without the need for in-person interaction. Respondents benefit from the flexibility of completing the survey at their own convenience, leading to higher response rates and reduced bias. Furthermore, online surveys can incorporate features such as automated checks and cross-verification processes, which help to enhance data accuracy by minimizing errors. A notable advantage of online surveys is their affordability, particularly when compared to more traditional data collection methods, such as phone interviews or face-to-face meetings. This makes them especially suitable for studies with budget constraints. Additionally, online platforms offer greater privacy and anonymity for participants, encouraging them to provide more honest and accurate responses. This is particularly valuable in studies involving sensitive topics like financial literacy and investment behaviors, where participants may be hesitant to reveal personal financial details. In summary, an online self-administered survey is the most suitable data collection method for investigating financial literacy and its impact on retail investors' decisions in India, as it is cost-effective, reliable, and ensures privacy while facilitating the gathering of high-quality data.

5. Data Analysis:

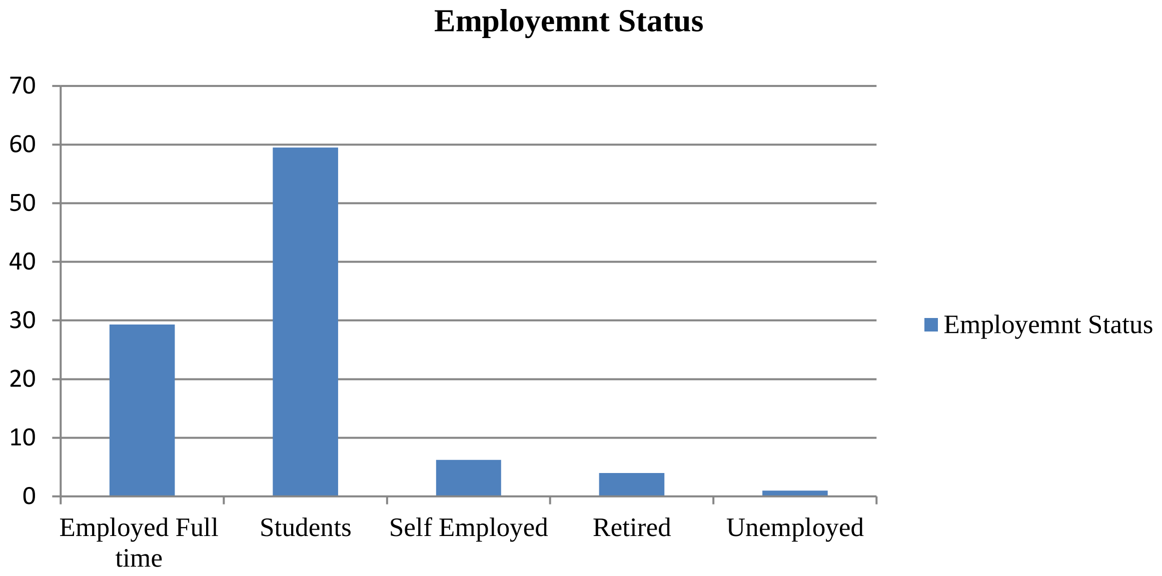
5.1 Educational background of the respondents:



Analysis:

This dataset illustrates the educational qualifications of the participants in the survey or research. Among the 100 individuals surveyed, 64 possessed a master's degree or higher, 30 held a bachelor's degree, and 6 had completed high school or an equivalent level of education.

5.2 Employment Status:



Analysis:

The most prevalent occupational status among respondents was "student," with 59 out of 100 participants identified in this group.

The second most frequent category was "working full-time," encompassing 30 respondents.

Self-employed" ranked third, with 6 respondents in this category.

Retired" was the fourth most common status, with 4 participants.

Finally, only one individual reported being "not working/looking for a job."

For a clearer understanding of the distribution, here is the percentage breakdown for each group:

Students: 59.5%

Full-time employees: 29.3%

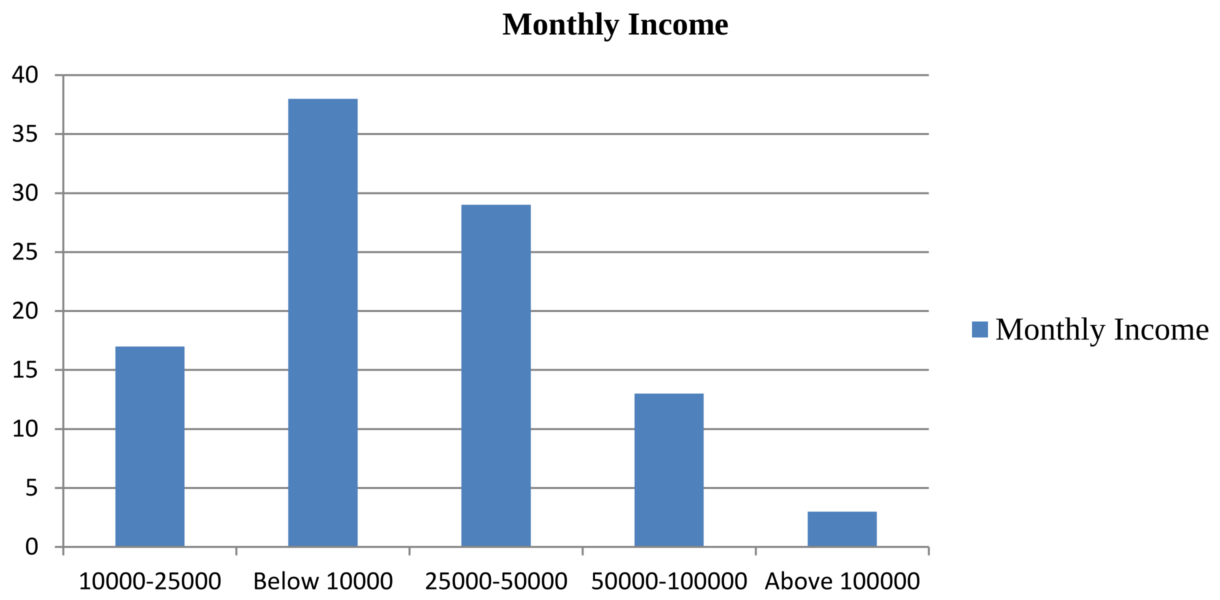
Self-employed: 6.2%

Retired: 4%

Unemployed/looking for work: 1%

The findings reveal that the majority of respondents are students, with a significant portion employed full-time. However, the small representation of self-employed and retired individuals could restrict the ability to generalize the results to these groups. Additionally, the low number of unemployed or job-seeking participants may limit the exploration of the link between financial literacy and employment status. Overall, the employment status data offers valuable insight into the demographic makeup of the sample and may serve as a foundation for further investigation of the study’s outcomes

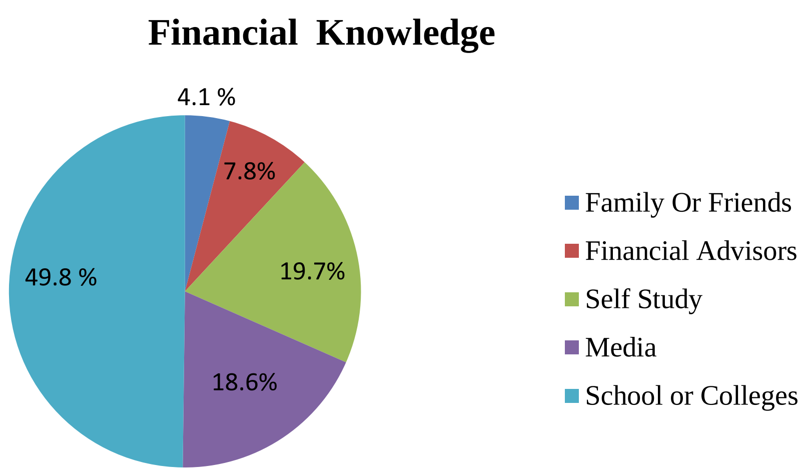
5.3 Monthly Income:



Analysis:

The majority of respondents earning less than Rs. 10000 with 38 individuals falling into this income range. A smaller group, consisting of only 3 participants, earns more than Rs. 1, 00,000 monthly. The remaining respondents earn between Rs. 10,000 and Rs. 1, 00,000 per month. This data provides valuable insight into the financial status of the participants, shedding light on how their income levels may influence their investment choices.

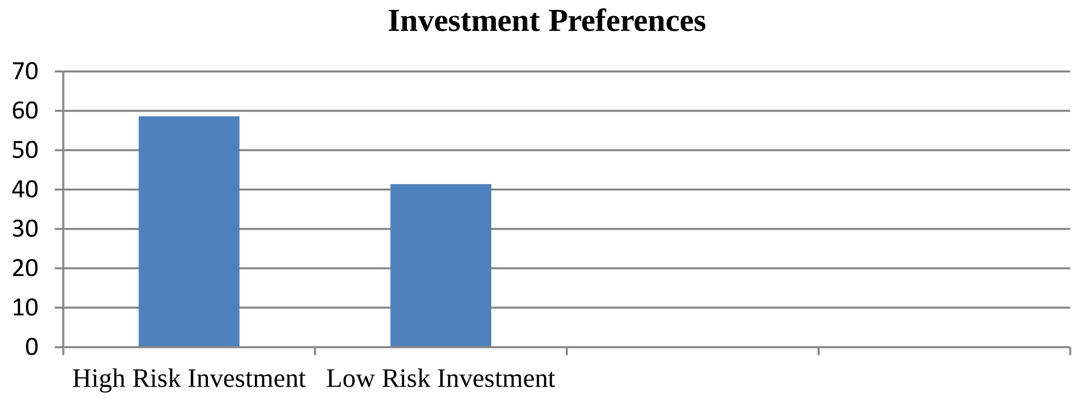
5.4 From whom do you get your investment advice?



Analysis:

Among the respondents, 49.8% gained financial knowledge through their school or college education, while 18.6% obtained it from social media platforms such as TV, newspapers, and the internet. Another 19.7% relied on self-study, 7.8% consulted financial advisors, and 4.1% sought guidance from family or friends. This suggests that the majority of participants acquired financial knowledge through formal education, with a notable proportion also turning to self-study or professional financial advice. Additionally, media outlets like TV and newspapers played a key role as sources of financial information for some respondents.

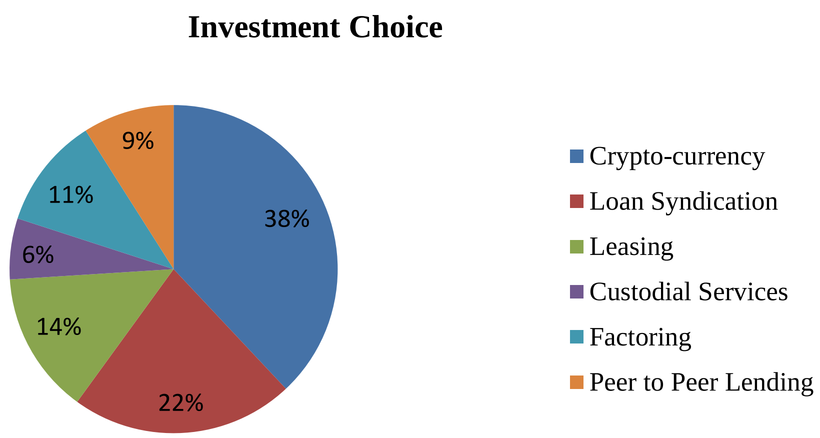
5.5 Financial Investment Preferences:



Analysis:

Based on the responses, 58 out of 100 participants (58.6%) expressed a preference for low-risk investments, while 41 respondents (41.4%) favored high-risk options. This indicates that the majority of respondents are inclined towards more secure investment choices.

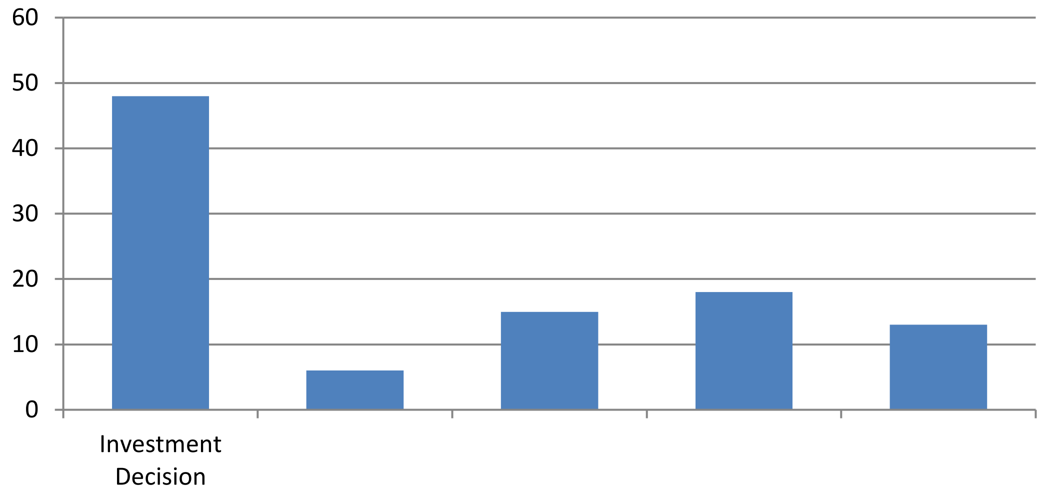
5.6 Investment Choice:



Analysis:

Among the respondents, 38 have invested in Crypto-Currency, 22 in Loan Syndication, 14 in Leasing, 6 in Custodial Services, 11 in Factoring, and 9 in Peer-to-Peer Lending. This indicates that Crypto-Currency is the most favored investment option, with Loan Syndication trailing closely behind

5.7 Investment Decision:



Analysis:

The survey findings reveal that 48 out of 100 participants began their investment journey by conducting thorough research and analysis. This highlights that a significant portion of respondents is dedicated to collecting relevant data and insights to guide their investment choices.

6. Limitations:

The research is subject to several limitations. Firstly, the study is constrained by a limited range of factors considered, as the survey only examines specific elements that might influence investment decisions, potentially overlooking cultural, social, or other external factors that could play a role. Secondly, while the research identifies a connection between financial literacy and investment choices, it does not provide definitive proof of a direct causal relationship between the two. Furthermore, the findings may be specific to the particular context of the study and might not be applicable to different settings or populations. Lastly, time constraints may limit the sample size and duration of data collection, which could affect both the accuracy and generalize ability of the research outcomes.

7. Findings:

Financial literacy significantly influences the investment choices of Individual investors, with clear evidence showing its profound effect on several key aspects of investment behavior.

1. Knowledge-Driven Investment Choices: Individuals with a solid foundation in financial literacy demonstrate a superior understanding of investment options, market dynamics, and financial strategies. Their ability to critically evaluate information, assess potential risks, and select the most fitting investment opportunities allows them to make decisions that align with their financial aspirations and risk tolerance.

2. Risk Awareness and Control: Financial literacy equips investors with the tools to better perceive and manage the risks inherent in different investment options. More financially educated retail investors tend to spread their investments across diverse assets, effectively minimizing risk exposure. Their improved awareness of risk-return trade-offs helps them make well-balanced decisions, safeguarding their financial interests.

3. Future-Oriented Financial Strategy: Investors with a higher degree of financial literacy are more inclined to think long-term about their investment strategy. Rather than seeking immediate profits, they focus on strategic goals like retirement planning, funding education, and wealth creation. This long-range vision enables them to navigate market fluctuations and pursue steady, sustained growth over time.

4. Self-Assurance and Independence: Enhanced financial literacy builds greater self-confidence in retail investors, empowering them to take control of their financial decisions. With a strong knowledge base, they are less dependent on external advice and more proactive in conducting their own research. This autonomy not only increases their ability to make informed choices but also helps them avoid misleading information and potential financial fraud.

8. Recommendation:

This study has several limitations, such as the relatively small sample size and the reliance on self-reported data, which means the results may not be broadly applicable to the general population. For future research, it is recommended to conduct larger-scale studies with more diverse and representative samples, exploring the impact of financial education on investment behaviors, as well as examining the influence of financial advisors in shaping investment choices. Additionally, it is suggested that policymakers and financial institutions prioritize enhancing public financial literacy by offering accessible educational resources and reliable financial information, thereby empowering individuals to make more informed investment decisions.

9. Conclusion:

The research and analysis suggest that there is a pressing need to enhance the public's financial knowledge to support more informed investment decisions. A majority of respondents indicated a preference for low-risk investment options, emphasizing the importance of financial planning and budgeting. Additionally, it was evident that participants heavily rely on research and analysis when making investment choices, underscoring the critical need for secure and trustworthy financial information. However, it is equally important to improve the tools and methods for evaluating financial data to prevent individuals from being misled or swayed by uncertainties and misinformation.

10. References:

1. Lusardi, A., & Mitchell, O. S. (2014). The Economic Importance of Financial Literacy: Theory and Evidence. National Bureau of Economic Research (NBER Working Paper No. 18952).

2. Xiao, J. J., & O'Neill, B. (2016). Consumer Financial Capability and Financial Satisfaction: A Cross-National Comparison. International Journal of Consumer Studies, 40(3), 346-357.

3. Van Rooij, M., Lusardi, A., & Alessie, R. (2011). Financial Literacy and Retirement Preparation in the Netherlands. Journal of Economic Psychology, 32(4), 583-598.

4. Beal, D. J., & Delpachitra, S. (2003). Financial Literacy and Financial Satisfaction: The Role of Personal Savings in Australia. International Journal of Consumer Studies, 27(5), 353-358.

5. Cude, B. J., Lawrence, F. C., & Hung, A. A. (2013). The Relationship between Financial Literacy and Financial Behavior: A Review of Literature. Journal of Financial Counseling and Planning, 24(1), 1-16.

6. Chen, H., & Volpe, R. P. (2002). Gender Differences in Personal Financial Literacy among College Students. Financial Services Review, 11(3), 289-307.

7. Grable, J. E., & Joo, S. H. (1999). A Comparison of the Impact of Demographics on Financial Satisfaction. Journal of Personal Finance, 1(2), 1-24.

Call for Papers

National Journal of Research in Marketing, Finance & HRM is a national, open-access journal. The journal is published in only print version.

All papers related to the following topics are preferred:

- Marketing

  Marketing research & strategy, Branding & consumer behavior studies, E- marketing, Personal selling & sales management, CRM, Retail/service marketing and other topics related & relevant to Marketing Management.

- Financial Management

  Banking & finance, Capital market research, Financial inclusion, Corporate governance, Micro finance systems, Financial and cost accounting, Tax reforms and other topics related & relevant to financial management

- Human Resource Management

  Performance appraisal systems, Work-life balance, Green HRM, Training & development, Change management, HR audit and other topics related & relevant to HRM

If you have any appropriate papers, please submit it njr.editor@gmail.com or send on the postal address. If you have problems in your submission, please submit it to njr.editor@gmail.com for help.

It is also appreciated for you to share this information with your fellows and colleagues.

Author Guidelines

Submission of an article implies that the work described has not been published previously, that it is not under consideration for publication elsewhere, that its publication is approved by all authors and tacitly or explicitly by the responsible authorities where the work was carried out, and that, if accepted, will not be published elsewhere in the same form, in English or in any other language, without the written consent of the Publisher. The Editors reserve the right to edit or otherwise alter all contributions, but authors will receive proofs for approval before publication.

Copyrights for articles are retained by the authors, with first publication rights granted to the journal. The journal/publisher is not responsible for subsequent uses of the work. It is the author's responsibility to bring an infringement action if so desired by the author.

The publisher and journals have a policy of "**Zero Tolerance on the Plagiarism**".

The authors authorize the publisher to archive the article into databases and indexes (such as EBSCO, DOAJ, ProQuest, etc.), and permit the publisher to apply DOI to the article.

All manuscripts should be prepared in MS-Word format, and submitted online. If you have any questions, please contact with us at: njr.editor@gmail.com

The research journal 'National Journal of Research in Marketing, Finance & HRM' title verified by Registrar of Newspapers for India (RNI), New Delhi.

Printed and published by Dr. Kishor N. Jagtap (Chief Editor) on behalf of SNG Institute of Management & Research, Pune – 410505 and printed at Shivshambho Printers, Rajgurunagar.