

Available online @ [www.iaraindia.com](http://www.iaraindia.com)  
RESEARCH EXPLORER-A Blind Review & Refereed Quarterly International Journal

ISSN: 2250-1940 (P) 2349-1647 (O)

Impact Factor: 3.655(CIF), 2.78(IRJIF), 2.77(NAAS)

Volume XI, Issue 38

July - December 2023

Formally UGC Approved Journal (63185), © Author

## Andhra Pradesh State Financial Corporation (APSFC) - An Overview

**K. MALYADRI**

Research Scholar (Full-Time), Department of Commerce, S. V. University, Tirupati

**J. MUNI NARENDRA**

Post Doctoral Fellow, Department of Commerce, S. V. University, Tirupati

**M. VENKATESWARLU**

Professor, Department of Commerce, S. V. University, Tirupati

### *Abstract*

*Andhra Pradesh State Financial Corporation came into being as a premier Financial Institutions on 1st November, 1956 with the avowed objectives of purveying financial assistance and managerial support to industrial entrepreneurs in Andhra Pradesh. It is clear that, the APSFC is concentrating on the industries so as to bring about a balanced industrial development in Andhra Pradesh. It has been providing financial support to various categories of industries in the State. But, the overall progress of the industrial sector has not been up to the mark due to various constraints. It needs to strengthen the financial base of the Corporation and its operational efficiency. In spite of the efforts made by APSFC to promote industrial development in the State, it has failed to meet its objective. It has not been distributing funds properly for the promotion of small-scale industrial sector in the state. Moreover, funds supplied by the Corporation are not adequate for the small-scale industrial progress of the state. Some of the disquieting trends in the operations of the APSFC are failure to diversify the assistance port-folio, continuance of a wide gap between assistance sanctioned and disbursed, inadequate attention to the schemes benefiting the village craftsmen and rural artisans and inadequate assistance for the rehabilitation of the existing sick industrial units. It appears that the APSFC is not able to translate its policies and ideas into actions. The corporation has many entrepreneurs-friendly schemes to provide term loans and working capital term loans. Therefore, it has become necessary to make an in-depth inquiry into the performance of the Corporation.*

**Keywords:** APSFC, Small-Scale Industries, Disbursement, Rural Credit, Industrial Development.

### **Introduction**

Andhra Pradesh is one of the fast-developing industrial states in the country. With a strong agricultural base, abundant natural resources and a peaceful industrial climate with skilled labour-force, the State

has tremendous potential and offers scope for fast industrial development. To serve the existing as well as prospective entrepreneurs all over Andhra Pradesh state is its main objective. The Corporation is having a network of 26 branch offices

covering both the states i.e., the recently forced Telangana and Andhra Pradesh. The APSFC has been functioning through its 13 branch offices in Andhra Pradesh, one Andhra division office in Vijayawada and a head office in Hyderabad<sup>1</sup>. The APSFC as a premier state level financial institution and as an integral part of the development financing system in the country has gained prominence for playing its responsibility in the achievement of rapid and high-quality industrial growth in the State. It offers a package of assistance to the entrepreneurs to enable them to translate their project ideas into reality. It has been continuously doing its best in every possible area of its operations to retain its premier position among SFCs in the country. The potential and the need for diversification of economic activities in the rural areas had begun to recognize and this was a sector where the APSFC could play a meaningful role in the economic upliftment of the weaker sections of the rural society. The main aim of the APSFC is to meet the excess demand for institutional credit in the rural areas, particularly among the economically and socially marginalized sections. APSFC as part of the multi-agency approach to rural credit is eminently suitable to do the job envisaged for them that as district level organizations, they can be trusted to take banking closer to rural household. 90 per cent of the APSFC branches were opened in these semi-urban and rural areas. The APSFC adopted certain organisations where they had no facilities earlier. The APSFC adopted new innovations for credit delivery with lower risk of default.

#### **Financial Resources of the APSFC**

The important resources of funds to the APSFC are:

1. Share capital (including special share capital) contributions from the state government, the Small Industrial Development Bank of India (SIDBI), Reserve Bank of India (RBI), Scheduled Banks, Insurance

Companies, Co-operative Banks, other financial institutions and the public.

2. Refinance from SIDBI and IDBI.
3. Loan from the State Government.
4. Balance of Reserves and Surplus.
5. Issue of Bonds.
6. Loans pending conversion to share capital.
7. Repayment from the loanee concerns and settlement of credit guarantee claims.
8. Fixed deposits.

#### **Schemes of Assistance in APSFC**

The Andhra Pradesh State Financial Corporation has been providing the needful financial assistance to the Micro, Small and Medium Enterprises in the state of Andhra Pradesh by way of Super Entrepreneur Scheme, Good Entrepreneur Scheme, Export Oriented Units, Hotels/Motels/Restaurants scheme, Senior Successful Entrepreneur, Scheme of assistance for Tourism, Equipment Refinance Scheme, Scheme for qualified Professionals, Modernization Scheme, Quality Control Facilities Scheme, Women Entrepreneur Scheme, Assistance to set up private industrial estates. Scheme for Physically Handicapped, Bridge Loans, Manufacturing/Energy Saving System, Composite loan scheme, Special Capital Assistance and Rehabilitation Scheme. Single Window Scheme, General loans, Ex-Servicemen Scheme, Transport loan scheme, National Equity Fund scheme, Self-Employment scheme to Young Entrepreneurs and Assistance to set up Hospitals/Nursing homes. The corporation extends the financial services to different forms of organizations like proprietary, partnership, joint Hindu family units, private limited companies and registered co-operative societies. In order to accomplish its objectives, the corporation has evolved a number of schemes to go well with the needs of the entrepreneurs. The corporation has been introducing new schemes and also refinancing the old

schemes to meet the financial needs of entrepreneurs with the eventual objective of bringing out development in industrial units.

**Sanctions and Disbursements of APSFC**

The APSFC has posted brilliant performance in its business operations with improvement in the key operational areas of sanctions and disbursements during the study period. The data relating to sanctions and disbursements dealt as on 31st March of every year are shown in table.

**APSFC Sanctions and Disbursements  
Sanctions & Disbursements (Rs. in Crs)**

Year	Sanctions	CAGR (%)	Disbursements	CAGR (%)	Not Disbursed
2012-13	1430.12	--	951.41	--	478.71
2013-14	1315.34	-0.83	882.76	-0.75	432.58
2014-15	694.59	-6.18	673.86	-2.66	20.73
2015-16	1261.99	6.15	758.11	1.18	503.88
2016-17	999.50	-2.30	728.11	-0.40	270.98
2017-18	1031.87	0.32	713.42	-0.20	318.45
2018-19	755.68	-3.07	597.51	-1.75	158.17
2019-20	309.26	-8.54	281.11	-7.26	28.15
2020-21	437.66	3.53	329.99	1.62	107.67
2021-22	491.63	1.17	351.31	0.69	140.32

Table provides an opportunity of critical assessment of the functioning of the Corporation. The disbursements of the APSFC as percentage of the amount sanctioned reveal being in a fluctuating trend. Not disbursed amount was higher in the year of 2015-16 and it was low in 2014-15.

**Recovery Performance of APSFC**

Recovery of funds distributed among industrial units as per schedule is one of the key operational performances of the APSFC, as it directly affects resource mobilization required for the further lending activities. Further, regular periodical and prompt recovery of funds from the borrowers makes the SFCs to maintain liquidity resulting in the improvement of the profitability. On the other hand, poor recovery results into the mounting up of overdue. Therefore, the emphasis should be necessary on better recovery performance in the APSFC to achieve better operational results and

consequent generation of high profitability. Particulars relating to APSFC recovery performance are shown in table.

**APSFC - Recovery Performance  
Recovery Performance (Rs. in Crores)**

Year	Principle	Interest	Total	Change (%)
2012-13	619.31	369.68	988.99	--
2013-14	668.14	408.30	1076.44	8.84
2014-15	776.76	437.26	1214.02	12.78
2015-16	857.31	416.07	1273.38	4.88
2016-17	778.31	396.45	1174.76	-7.74
2017-18	844.91	374.01	1218.92	3.75
2018-19	652.73	365.73	1018.46	-16.44
2019-20	608.15	324.96	933.11	-8.38
2020-21	600.30	280.63	880.93	-5.59
2021-22	625.02	254.19	879.21	-0.19

Table shows that the principle recovery was higher than the recovery of interest during the study period. The compound annual growth rate of Principle recovery was 12.78 per cent in the year 2014-15 is higher and negative is -16.44 in the year 2018-19.

**Income and Expenditure of APSFC**

Income is the amount of money a person or organization receives over a period of time either as payment for work, goods, or services or as profit on capital, Expenditure is the spending of money on something, to acquire resources or to make the resource to perform the work. If the income is greater than the expenditure, the result would be net profit and vice-versa. The data relating the income and expenditure of the Corporation over the study period is provided in table.

**Income and Expenditure of APSFC**

Year	Income	Expense	Profit	Change (%)
2012-13	411.36	313.27	98.09	--
2013-14	453.40	359.82	93.58	-0.47
2014-15	477.71	396.76	80.95	-1.44
2015-16	481.54	428.79	52.75	-4.19
2016-17	443.97	384.08	59.89	1.28
2017-18	438.56	348.21	90.35	4.19
2018-19	457.24	330.88	126.35	3.41
2019-20	426.45	311.28	115.17	-0.92
2020-21	361.18	288.36	72.82	-4.48
2021-22	393.08	209.53	183.55	9.68

Table shows that the growth rate of profit was higher than its income level during the study period. It indicates good performance levels of APSFC in many dimensions. Profitability is one of the key factors to measure the performance of any business unit in general. Hence, the performance of APSFC is presumed to be good.

**Asset Quality of APSFC**

Financial institutions are concerned with their loans since that provides earnings for the bank or institution. Loan liquidity and asset quality are two terms with basically the same meaning. Government bonds and T-bills are considered as good quality loans whereas junk bonds, corporate credit to low credit score firms, etc., are bad quality loans. A bad quality loan of higher profitability becoming a non-performing asset with no return. Non-performing assets is a classification used by financial institutions that refer to loans that are in jeopardy of difficult. Once the borrower has failed to pay interest or principal amount for 90 days, the loan is considered to be a non-performing asset. NPAs are problematic for financial institutions since they depend on interest for income. The data relating to the gross NPAs of the Corporation over 10 years is given in table.

**Asset Quality and NPA Management  
(in Crs)**

Year	Std. Assets	NPAs	%
2012-13	2553.97	161.45	6.32
2013-14	2682.74	244.03	9.10
2014-15	2443.81	275.49	11.27
2015-16	2267.44	254.17	11.21
2016-17	2179.90	203.40	9.33
2017-18	2001.30	204.57	10.22
2018-19	1919.40	166.54	8.67
2019-20	1452.47	249.07	17.14

2020-21	1181.98	117.87	9.97
2021-22	1016.01	112.95	11.12

It is observed from table 4 that the NPAs were in increasing trend in proportionate to standard assets for the study period. The proportionate NPA was higher in the year 2019-20 with 17.14 per cent of standard assets and lower in 2012-13 with 6.32 per cent. Hence, the Corporation must take right measures and adopt proper policies to manage NPAs in a better way.

**Conclusion**

The analysis of the APSFC's performance over the study period highlights several key trends. The corporation has shown significant improvement in its sanctions and disbursements, reflecting a positive growth trajectory. However, the fluctuating disbursement percentages emphasize the need for consistent lending practices. In terms of recovery, while principal recovery outperformed interest recovery during most years, attention should be directed towards enhancing interest recovery methods. The income and expenditure analysis demonstrates a consistent growth in profitability, indicating a healthy financial outlook for the APSFC. Nevertheless, the rising trend in non-performing assets (NPAs) as a percentage of standard assets requires immediate attention and strategic measures to effectively manage and reduce NPAs. Overall, the APSFC's performance is commendable but warrants continuous efforts to ensure sustained growth and financial stability.

**References**

1. <https://esfc.ap.gov.in/>
2. Annual reports of APSFC, 2021-2022.

Available online @ [www.iaraindia.com](http://www.iaraindia.com)  
RESEARCH EXPLORER-A Blind Review & Refereed Quarterly International Journal

ISSN: 2250-1940 (P) 2349-1647 (O)

Impact Factor: 3.655(CIF), 2.78(IRJIF), 2.77(NAAS)

Volume XI, Issue 38

July - December 2023

Formally UGC Approved Journal (63185), © Author

## Perception of Primary Level Teacher Educators about Information and Communication Technology

**HASANUJJAMAN HOSSAIN MONDAL**

Assistant Teacher (Education), Debagram Mahadeb High School (H.S), Salbani

**Dr. ARINDAM BHATTACHARYYA**

Assistant Professor (Education), Serampore Girls' College, West Bengal

### Abstract

Now we are living in knowledge based global society and Information and Communication Technology (ICT) has taken a key role of the society. Today without technology education system is blind. Now ICT has become necessary part of Indian school curriculum as well as teacher education. Therefore, the teacher educators are responsible to promote, utilize and implement of ICT that trainee student of each level can move from pedagogues to techno pedagogues. Therefore, the present teacher educators are expected to function as a facilitator for acquisition of knowledge through ICT. The pervasive influence of ICT possesses a serious impact to their wisdom, vision, zeal, thinking process and creativity. Based on the present scenario, it is very essential in perspective of West Bengal, to analyze the perception of primary level teacher educators about ICT. Therefore, the researcher used standardized tool viz. ICTPS (ICT Perception Scale) to gather relevant data from primary level teacher educators. It was developed by Bhattacharyya, Maiti & Halder (2015). An online survey was conducted on D.El.Ed. Colleges under three (3) districts, Nadia, Howrah, Hooghly of West Bengal. Collected data (122 samples) was analyzed through SPSS and significance of t value and F value were tested at 0.05 level. The present study revealed that the perception about ICT of primary level teacher educators had significant difference in respect of their gender, teaching experience and nature of institutions. The Study also provides some recommendation based on the research findings.

**Keywords:** Perception, Primary Level, Teacher Educators, Information & Communication Technology.

### Background

Information and communication technology (ICT) is a force that has changed many aspects of the way we live. It is playing a big role in many disciplines like medicine, tourism, travel, business, law, banking, engineering and architecture. The impact of ICT across the past two or three decades has been enormous. The way these fields operate today is vastly

different from the ways they operated in the past because of the rapid development of technology. However, when one looks at education, there seems to have been lack of influence and far less change than other fields have experienced. But education is one of the most important investments in building human capital in a country and makes a nation technologically innovative and a good path to economic growth.

Thus, rapid growth and improvement in ICT have led to the diffusion of technology in education. Educational systems around the world are being increasingly pressurized to apply the new ICT tools to their curriculum to provide students with the knowledge and skills that they need in the 21st century. Their uses are also underlined by many scholars as a necessity for improving quality in teaching and learning. Over the past decades, governments and education systems around the world have regarded the use of information and communications technologies as an important issue for improving the effectiveness of teaching and learning. Development in computers, communication electronics and other multimedia tools provide a wide range of sensory stimuli. The animations, simulations, software packages to teach various subjects create virtual realities and experience for the learners, which in turn, help in making learning a more direct, useful and joyful. Learners' self-engaged learning is conceived as the core of good education. According to UNESCO (2011), "ICT is a scientific, technological and engineering discipline and management technique used in handling information, its application and association with social, economic and cultural matters". National Policy of Education (1986) commented on the need of technology in education as the infrastructure and services sectors as well as the unorganized rural sectors also need a greater induction of improved technologies. NCERT, NCTE and N.A.A.C. are also emphasized on proper implementation of I.C.T. for Teacher Education Program and utilization of I.C.T. tools. MHRD (2016) commented on implementation of ICT in school Education and ICT in schools has been already applied through the Rashtriya Madhyamik Shiksha Abhiyan (RMSA). 'ICT' in School education curriculum was launched in December, 2004 and revised in 2010 to provide opportunities to secondary stage students to mainly build

their capacity on ICT skills and make them learn through computer aided learning process. In teacher education program, ICT is used as an assisting tool, e.g., while making assignments, collecting data and documentation, communicating and conducting research. NCF (2005), NCFTE (2009) emphasized on the use of modern technology. In the field of school education, the National Policy on ICT in School Education (NPICTSE, 2010) gives importance on ICT. ICT based education is now an integral part of NEP (2020). Present policy suggested that the curriculum of teacher education must include essential ICT components at each level. During the Covid-19 pandemic situation, the online teaching-learning could meet the academic needs of the maximum learners in a wider way. Maximum educational institutions switched to online mode of teaching-learning. Different online platforms (WebEx, Zoom, Google Meet etc.) and various learning management systems (LMS) have been widely used for online teaching-learning during the lockdown period. Actually, ICT has converted the old teacher centered pedagogy to new learner centred pedagogy. This paradigm shift is possible only for ICT.

Indeed, there is a great need to nurture this technology to enhance the effectiveness of teaching-learning process. Most of the teacher Educators not properly use ICT because lack of proper knowledge, training and open-mindedness towards acceptance of changing environment of modern teacher education. Teachers' experience of using ICT and integration of ICT in teaching and learning, help to determine teacher educators' professional development and need for proper ICT application in the classroom. For this reason, knowledge of teacher about ICT should be proper and adequate. In this respect, the present researcher chooses the problem.

#### **Literature Review:**

*Literature reviews on national and*

*international level are compiled and given below:*

The study of Carter and Leeh (2001) revealed the different propensity of change in the use of ICT between two countries in age, career, education, and equipment and performance group comparison. But there was no evidence of difference in sex, subject, area, and school size, skill, and training groups between Korea and England. Goel et. al.'s (2003) study has reported stream wise, medium wise and gender wise significant differences in the mean achievement scores in the perception of B.Ed. student towards the course ICT in education. Gulbahar and Guven's (2008) study showed that although teachers were willing to use ICT resources and were aware of the existing potential, but they were facing some problems in relation to accessibility to ICT resources and lack of in-service training opportunities. The result also indicated that there was no significant relationship between teachers' awareness and their self-rated expertise level. The study of Teo (2008) showed that teachers were more specific about their attitude towards computers and intention to use computer than their perception of the usefulness of the computer and their control of the computer. Drent and Meelissen's (2008) study revealed that student oriented didactical approach, decisive attitude towards computers, clear experience of computers, and personal enterprise of the teacher educators has a direct positive influence on the innovative use of ICT by the teacher. Tella et. al.'s (2010) study showed that teachers generally have access to ICTs in their schools. But the Nigerian secondary schools are lacking technical supports and teachers are lack of expertise in using ICTs during lesson. Kutleca's (2011) study showed that the prospective preschool teacher use computers more at home and internet cafes and their levels of using computer programme were intermediate or upper. There was a significant difference

according to the different variables, but there was no significant difference according to the variables of gender. Kumari and Babu's (2012) study revealed that the level of knowledge of ICT possessed by secondary school English teachers was poor and as such, they rarely use ICT in their instruction process. Paul and Mondal (2012) observed that the ICT in enhancing quality of live of secondary level schools of Burdwan district, West Bengal. There has been significant positive influence on quality of education throw ICT by taking into consideration the various factors. Anitha's (2013) study indicates that there is a significant difference between male and female teacher educators perceptions with respect to the different aspects of the application of Computers in Teaching Learning Process (TLP). Lastly, there is a significant difference between M.Sc., M.Ed., and M.A., M.Ed., qualified teacher educators perceptions with respect to the different aspects of the application of Computers in TLP but they had shown positive response in this context. Mia and Haque's (2013) study indicate that perception of primary school teachers about the ICT is positive irrespective of sex, level of profession, type of institution, marital status and age. But the usage level of ICT is not satisfactory whether the teacher is married or single, senior or junior or headmaster, male or female and government or non-government. The study also indicated that teachers have deficiency in usage and training of ICT. Bhattacharyya and Maity's (2013) study revealed that there exists a difference in use of ICT Tools between male and female teacher educators, but such difference is not found between junior and senior teacher educators and there is a significant difference in use of ICT Tools among the teacher educators of different streams— language, social science and science. Bhattacharyya et. al. (2014) survey study revealed that there exists significant difference in ICT perception between of

teacher educators of Government financed and self-financed B.Ed. Colleges, but such difference is not found among male – female and senior – junior teacher educators. Gebremedhin and Fenta's (2015) survey study shows that teachers have strong positive perception to use ICT in teaching-learning process (TLP). There is significant relationship between teachers' perception towards ICT integration into TLP and the factors that encourage ICT usage. Majority of the teachers pointed out about the teachers' technical knowledge and shortage of resources as barriers. The study of Philomina and Amutha (2016) indicate that Indian teacher educators' awareness towards ICT differs regarding gender and subject. Payal and Kanvaria's (2018) study indicate that the barriers found to be significant in using ICT tools by teachers were: limited accessibility and network connection, limited technical support lack of effective training, limited time and lack of teaching competency. Mahdum et. al.'s (2019) study showed that the teachers had a good level of perception and motivation toward ICT integration in learning activities. But, they still faced with several issues related to facilities and technical expertise of ICT. Bhardwaj's (2020) study found that student-teachers of high ICT group and medium ICT group performed better in professional interest than student-teachers of low ICT group. A significant positive correlation exists between ICT competency and professional interest of male as well as female student-teachers. The study of Hasan (2020) showed that the online teaching emerged as a potential tool to support students' learning remotely and maximum educational institutions across India and worldwide switched to online mode of teaching-learning. Bordoloi et. al.'s (2021) study found that the extensive use of open educational resources, massive open online courses (MOOCs), social media and online meeting apps during the Covid-19 lockdown, has a big impact in the ways of educational transactions.

Through this study, a new social constructivism has been visualized to know the acceptability of online/blended learning opportunities on the part of the teachers and learners across India. Mensah and Osman's (2022) study revealed that the teachers had a positive perception that incorporating ICT into the Social Studies teaching and learning. But significant differences in the perception were found among teachers based on age, gender and teaching experience. The findings of the study also showed that ICT tools were found to be limited in the schools. In the study of Aivazidi and Michalakelis (2023), Teachers' perceptions of ICT, self-efficacy on computers and demographics are some of the factors that have been found to impact the use of ICT in the educational process. These results provided useful insights for the achievement of a successful implementation of ICT in education. Paramasivan. C (2015) Education becomes a powerful weapon to the socio-economic setup of the country which brings colorful changes in almost all the stakeholders. Providing quality and time bound education to the students is the vital role of the educational system of the country particularly in higher education which is highly knowledge based, innovation oriented and research centred.

#### **Critical Appraisal of the Previous Literature:**

In this literature review work, both national and international studies were taken. Majority of the studies have been worked on knowledge, usage, attitude, perception, motivations, awareness, competencies, professional interest and barriers of ICT at the level of school and college. Both National and International studies have reported gender wise, stream wise and location wise. Majority of the research works used survey research design of descriptive research method and a few studies used qualitative research design also. Most of the research studies used self-made Likert-type scale to collect data and these studies used medium size of



samples. Major studies have some important recommendations.

Keeping all those observations, objectives, hypotheses and research method will be formulated for the future study.

**Objectives of the study:**

1. To study the Perception of primary level teacher educators towards Information and Communication Technology (ICT).
2. To compare the perception of male and female primary level teacher educators about ICT.
3. To compare the perception of senior and junior primary level teacher educators about ICT.
4. To compare the Perception of primary level teacher educators about ICT, belonging to Government financed and self-financed Primary Teacher Training Colleges.
5. To compare the perception of primary level teacher educators about ICT belonging to different Groups (i.e. Language group, Social science group, Science group).

**Null Hypotheses:**

H<sub>0</sub>1: There is no significant difference in the perception about ICT between male and female primary level teacher educators.

H<sub>0</sub>2: There is no significant difference in the perception about ICT between senior and junior primary level teacher educators.

H<sub>0</sub>3: There is no significant difference in the perception about ICT between primary level teacher educators, belonging to Government financed and self-financed primary teacher training Colleges.

H<sub>0</sub>4: There is no significant difference in the perception about ICT among the primary level teacher educators belonging to different educational specialisation group.

**Methodology**

**Design of the Study:** In the light of critical appraisal of previous literature, it is found that perception about ICT have some relevance to the gender, teaching experience and nature of the institution. In order to get the proper reflection, the investigator used survey research design of descriptive research method in his study. Here survey research method is quite effective than other methods.

**Population:** Fulltime primary level teacher educators of different primary level teacher education colleges (i.e. D.El.Ed. Colleges & DIET) of West Bengal were considered as population of the study. Such information collected from the related institutional website.

**Sample:** Stratified random sampling technique was adopted in the study. Sample of Primary Level Teacher Educators were collected from regular mode D.El.Ed. Colleges and DIET of Howrah, Hooghly & Nadia District of West Bengal. Here, teacher educators having more than ten (>10) years of teaching experience were to be considered senior, and below it (< 10) were junior teacher educators. Fulltime primary level teacher educators were taken only for the study. Completely filled-up Google response-sheets of 122 samples (i.e. primary level teacher educators) were considered for the study. Gender wise, teaching experience wise and nature of the institution wise distribution of sample is given in the following table (1):

Categorical Variables	Gender		Teaching Experience		Nature of Institution		Educational Specialisation Group (E.S.G)			Total
	Male	Female	Junior	Senior	Govt. Funding	Private Funding	Science	Social Science	Language	
	70	52	108	14	13	109	32	53	37	122

**Variables:**

In this study, the investigator considered following two types of variables:

- a) **Major Variables:** Perception about ICT.
- b) **Categorical Variables:** Gender (Male & Female), Teaching Experience (Senior & Junior) and Nature of Institution (Government Funded & Private Funded).

**Tools:**

The investigator used a standardized tool viz. ICT Perception Scale (*ICTPS*) to gather relevant data from the respondents (i.e. Primary Level Teacher Educators). *ICTPS* is a five-point Likert type scale and consisted of thirty-two (32) test items. It was properly standardised, having high content validity (*0.825*) and reliability (*0.846*). The scale was developed by *Bhattacharyya, Maiti & Halder (2015)*.

**Procedure of Data Collection, Presentation and Analysis of Data**

**Data Collection:** Data was collected from the subject (i.e. Primary Level Teacher Educators) personally through emails. Necessary prior permission was obtained from the subject for online data collection. It was assured to them by phone or WhatsApp that the response regarding personal information and other information would be kept secret and be used for research purpose only. The teacher educators were given written short instruction by email regarding the filling of their responses. The research tools as a form of Google-sheet were forwarded to them through email and they required approximately one week for completing and return back.

**Data Presentation:** Completely filled-up responses by teacher educators were taken into consideration as sample. Collected data were tabulated and organized for analysis and interpretation.

**Analysis of Data:** Quantitative analysis was used in the study. Both descriptive and inferential statistical analyses were done here. Descriptive statistics like Mean, S.D. was calculated for all the groups and for all the scores. After that, inferential

statistical analyses like t-test, ANOVA were done to find out the mean differences. The Significance of t values was tested at 0.05 level of significance. The whole organized data were analyzed through SPSS.

**Results and Discussion**

**Results of the Study:** Result of descriptive statistics and the result of hypotheses testing are given below:

Categorical Variable	Group	N	Mean	S.D.	Std. Error
Gender	Female	52	116.59	9.58	1.33
	Male	70	121.57	11.86	1.42
Teaching Experience	Junior	108	120.28	11.43	1.10
	Senior	14	113.07	6.07	1.62
Nature of Institution	Govt.-financed	13	114.23	5.81	1.61
	Private -financed	109	120.07	11.51	1.10
Educational Specialisation	Science	32	118.81	11.60	2.05
	Social Science	53	118.92	11.66	1.60
	Language	37	120.75	10.24	1.68

**In Case of Objective 2:**

At first, for the Objective 2, to compare the perception of male and female primary level teacher educators about ICT, Null Hypothesis 1 is tested here by employing ‘t’ test and the result is presented in table.

Variable	Group	t-value	df.	P. Value	Result
Gender	Female	2.482	120	.014	H <sub>0</sub> 1 Rejected
	Male				

It is found from the table 3 that in case of male and female primary level teacher educators, the calculate  $t_{(120)}$  value is 2.482 and ‘P’ value is .014 ( $p < .05$ ). Hence, ‘t’ is significant at 0.05 levels. So, Null Hypothesis 1 is rejected and it can be safely said that male primary level teacher educators are significantly different from female primary level teacher educators in respect to their perception about ICT.

**In Case of Objective 3:**

According to the Objective 3, to compare the perception of senior and junior primary level teacher educators about ICT, Null Hypothesis 2 is tested here by employing ‘t’ test and the result is presented in table.

Variable	Group	t-value	df.	P. Value	Result	Groups				Accepted
						Within Groups	15029.384	119	126.297	
Teaching Experience	Junior	2.310	120	.023	H <sub>02</sub> Rejected	Total	15120.205	121		
	Senior									

It is found from the table 4 that in case of Junior and senior primary level teacher educators, the calculate  $t_{(120)}$  value is 2.310 and ‘P’ value is .023 ( $p < .05$ ). Hence, ‘t’ is significant at 0.05 levels. So, Null Hypothesis 2 is rejected and it can be safely said that senior primary level teacher educators are significantly different from junior primary level teacher educators in respect to their perception about ICT.

**In Case of Objective 4:**

According to the Objective 4, to compare the perception of teacher educators about ICT, belonging to Government financed and self-financed Primary Teacher Training Colleges, Null Hypothesis 3 is tested here by employing ‘t’ test and the result is presented in table.

Variable	Group	t-value	df.	P. Value	Result
Nature of Institution	Government - financed	1.798	120	.075	H <sub>03</sub> Accepted
	Self - financed				

It is found from the Table 5 that in case of Government - financed and Self - financed primary level teacher educators, the calculate  $t_{(120)}$  value is 1.798 and ‘P’ value is .075 ( $p > .05$ ). Hence, ‘t’ is not significant at 0.05 levels. So, Null Hypothesis 3 is accepted and it can be safely said that Government - financed primary teacher educators are not significantly different from Self - financed teacher educators in respect to their perception about ICT.

**In Case of Objective 5:**

Now, according to the Objective 5, to compare the perception of teacher educators about ICT, belonging to Different Educational Specialization Groups (i.e. Language Group, Social Science group, Science Group), Null

ICT Perception	Sum of Squares	df.	Mean Square	F	P. Value	Result
Between	90.821	2	45.410	.360	.699	H <sub>04</sub>

Hypothesis 4 is tested here by employing one way ANOVA and the result is presented in table.

It is found from the Table No 6 that in case of one way ANOVA the calculate df of F (2,119) value is .360 and ‘p’ value is .699 ( $p > .05$ ). Hence, ‘F’ is not significant at 0.05 levels. So, Null Hypothesis 4 is accepted and it can be safely said that there is no significant difference in the perception about ICT among the primary level teacher educators belonging to different educational specialization group (Language, Social Science and Science).

**Discussion on the Research Findings:**

- ❖ It can be observed from table 3 that male primary level teacher educators are significantly different from female primary level teacher educators in respect to their ICT perception. Similarly, Goel.et.al (2003), Philmina & Amutha (2016) and Mensah and Osman (2022) found the significant gender differences in their studies. But Kutleca (2011) did not found any gender disparities in the study.
- ❖ It is found from the table 4 that senior primary level teacher educators are significantly different from junior primary level teacher educators in respect to their ICT perception. Similarly, such difference is found in the study of Mensah and Osman (2022) and it is not found in the study of Bhattacharyya et.al (2014).
- ❖ It is also found from the table 5 that Government - financed primary level teacher educators are not significantly different from self - financed primary level teacher educators in respect to their ICT perception. But such

difference is found in the study of Bhattacharyya et.al (2014).

- ❖ It can be observed from table that there is no significant difference in the perception about ICT among the primary level teacher educators belonging to different educational specialization group (E.S.G). Similarly, Carter and Leeh (2011) did not found any such evidence in their study. But Philomina & Amutha (2016) found that Indian teacher educators' awareness towards ICT differs regarding their subject.

#### **Conclusion on Result and Discussion:**

The present study reveals that there is significant difference in the perception of ICT among the primary level teacher educators in relation to their gender and teaching experience. Thus, the teacher educators' perception about ICT is not found at the same level. So, there is great need to increase the awareness and training on ICT. Because, it is expected now that they can meet the up-coming challenges due to ICT intervention and incorporation in the post-Covid teaching-learning world. The present study also reveals that, there is no significant difference among the primary level teacher educators of different educational specialization groups i.e. language, social science and science groups. It is good sign for teacher education program in West Bengal. It is noticeable and we expect that in future concern about ICT will be very sound and more progressive.

#### **Educational Implication of the Study:**

*Based on the above research findings, educational implications of the study are given below:*

- a) ICT assisted infrastructure development is urgent requirement for D.El.Ed. Colleges of west Bengal.
- b) West Bengal Board of Primary Education (W.B.B.P.E.) should enrich the D.El.Ed. Curriculum with a view to consolidating the usage of ICT based

blended teaching-learning system as per N.E.P. (2020) and UGC Guideline.

- c) Educational stakeholders should be given more importance in teacher educators' ICT awareness, skill, knowledge, attitude, perception and competencies in the post-Covid situation.
- d) It should be given importance in regular ICT orientation programme through blended mode seminar, workshop, and training and proper use of ICT in the field of teacher education.
- e) There is a need to improve the interest, attitude, awareness and motivation towards ICT by teacher educators for their professional development.

#### **Limitations of the study:**

*Present study has following limitations:*

- 1) The large number of sample is not taken here for data collection purpose.
- 2) The researcher has faced problem during online data collection due to unwillingness of data providers.
- 3) If the researcher considered more categorical variables in the study, the result would have been more informative.
- 4) Besides in the prospective of educational specialization, language, social science and science the more group like art and craft, music, physical education will be include then the result will be more beneficial.

#### **References**

1. Aivazidi , M . and Michalakelis , C . (2023) . *Information and Communication Technologies in Primary Education: Teachers' Perceptions in Greece , Informatics . 10(3):57*
2. Anitha , M . (2013) . *A study on the perceptions of Teacher Educators towards the application of Computer in Teaching Learning Process , (Unpublished Doctoral Dissertation) Andhra University, Andhra Pradesh , India .*
3. Bhardwaj , Babita . (2020) . *Study of ICT Competency and Professional Interest of Student-Teachers . IISRR- International Journal of Research , 6 (III) .*

4. *Bhattacharyya , A . & Maiti , N. C. (2013). A Comparative Study on Usage of ICT Tools by Teacher Educators in West Bengal , Sikshanchintan , 7, 155-163 .*
5. *Bhattacharyya , A . , Maiti , N. C. & Halder Md. K . (2014) . The teacher Perception about Information and Communication Technology in West Bengal , Sikshanchintan , 8 , 167-175 .*
6. *Bhattacharyya , A . , Maiti , N. C. & Halder , Md . K . (2015) . Construction of five point Likert Type scale to Measure the Perception of Teacher Educators about ICT, International Journal of Educational Research , 1 (4), 59-77.*
7. *Bordoloi, R . , Das , P. & Das , K . (2021). Perception towards online/blended learning at the time of Covid-19 pandemic: an academic analytics in the Indian context , Asian Association of Open Universities Journal , 16 (1) , 41-60 . DOI 10.1108/AAOUJ-09-2020-0079*
9. *Carter , D. S. G. & Leeh , D. J. K. (2001) . Validating Behaviourial Change: Teachers Perception and Use of ICT in England and Korla , A Project Report School of Education , University of Exeter.*
10. *Drent , M . and Meelissen , M . (2008) . User acceptance of information technology: Theories and models , Annual Review of Information Science and Technology, 31, 3-32 .*
11. *Gebremedhin , M . A . & Fenta , A . A . (2015) . Assessing Teachers' Perception on Integrating ICT in Teaching-Learning Process: The Case of Adwa College , Journal of Education and Practice , 6 (4) .*
12. *Goel , D . R . , Das , A . & Shelat , P. (2003) . ICT in Education: A Challenging Experience , A project report UGC SAP . Vadodara : CASE , the M.S. University of Baroda .*
13. *Gulbahar , Y. and Guven , I . (2006) . A Survey on ICT Usage and the Perceptions of Social Studies Teachers in Turkey. International Forum of Educational Technology & Society , 11 (3), 37-51.*
14. *Hasan , N . (2020) . Online teaching-learning during covid-19 pandemic: students' perspective . The Online Journal of Distance Education and e-Learning , 8 (4) , 202-213 .*
15. *Kumari, A. & Babu, A. (2012). Assessment of Teacher' Knowledge and Use of ICT in Teaching English , Indian Journal of Education (DEVALOKE) , 50-65.*
16. *Kutluca , T . (2011) . A study on computer usage and attitudes toward computers of prospective preschool teacher. International Journal on New Trends in Education and Their Implication , 2.*
17. *Mahdum , Hadriana , & Safriyanti , M . (2019) . Exploring teacher perceptions and motivations to ICT use in learning activities in Indonesia . Journal of Information Technology Education: Research , 18, 293 - 317.*
18. *Mensah , E. G. and Osman , S . (2022) . Senior High Schools Teachers' Perception of Integrating ICT into Social Studies Lessons in the New Juaben Municipality . Social Education Research , 3 (1).*
19. *MHRD, (2010) . National Policy on ICT in School Education, Draft, Last revision: 23 March, 2012.*
20. *MHRD , (2016) . Overview of ICT in school Education . New Delhi: MHRD .*
21. *MHRD , (2020) . National Education Policy 2020 . New Delhi : MHRD .*
22. *Mia , A . & Haque , Z . (2013) . Perception and usage level of ICT of the primary schoolteachers in Bangladesh , Bangladesh journal of MIS , 6 (1) .*
23. *Paramasivan. C (2015), Conventional Methods of Training to Teacher and Its Impact In Higher Education, Advanced Scientific Research &Development (IJASRD), Volume 02, Issue 04 (Oct – Dec '2015) | PP 01 – 09*
24. *Paul , P. K . & Mondal , N . K . (2012) . Integration of ICT in school Education an analysis study in Burdwan district in west Bengal, India, Journal of Radix International Educational and Research.*
25. *Payal and Kanvaria , Vinod Kumar . (2018). Learning With ICT: Use & Barriers From Teachers' Perceptions , International Journal of Recent Scientific Research. 9 (1), 23545-23548.*

Available online @ [www.iaraindia.com](http://www.iaraindia.com)  
 RESEARCH EXPLORER-A Blind Review & Refereed Quarterly International Journal  
 ISSN: 2250-1940 (P) 2349-1647 (O)  
 Impact Factor: 3.655(CIF), 2.78(IRJIF), 2.77(NAAS)  
 Volume XI, Issue 38  
 July - December 2023  
 Formally UGC Approved Journal (63185), © Author

## **SUCCESSION PLANNING OF THE EMPLOYEES SERVING IN HEIs – A STUDY WITH REFERENCE TO THE TEACHERS IN THE DISTRICT OF PASCHIM BARDHAMAN**

**DARPAN BHATTACHARYYA**

Faculty Member, Department of BBA, Deshbandhu Mahavidyalaya, Chittaranjan, West Bengal

**Prof. PRANAM DHAR**

Professor & Head, Department of Commerce, West Bengal State University, Barasat, Kolkata

### *Abstract*

*Succession planning is the attempt to plan for the right number and quality of managers and key-skilled employees to cover retirement, death, serious illness or promotion, and any new positions which may be created in future organization plans. Right identification of potential employees is very crucial in Higher Education Institutions which are characterized by interactive and knowledge –sharing industry, catering to auspicious students across the globe. The lack of research creates a need for relevant studies that will assist Higher Educational Institutions effectively plan for succession of their faculty members. In view of the analysis of the above available literatures and after finding out the ultimate research vacuum, the following objectives were found to be pertinent for the study: to understand the best practices of Succession Planning by taking recourse to literature and published documents of companies who are best in this field in terms of its dimensions like, Management Support & Organization Policy like strategic view of SP, management commitment, implementation considerations; Selection of potential candidate and formation of talent pool; Identification of development plan for the successor in terms of executive coaching, mentoring, networking, job assignments and action learning and To study and understand the existing succession planning process in select Higher Education Institutions in West Bengal. The study is basically empirical in nature, based on Primary Data collected through scientifically designed structured questionnaire. Relevant statistical tools like Descriptive Statistics, Multiple Regression and Exploratory Factor Analysis (EFA) have been used for the analysis of data.*

**Keywords:** *Succession Planning, HEIs, EFA, Descriptive Statistics.*

### **Backdrop**

In today's dynamic business environment, change is the only constant. The primary challenge that the leaders in a global community must face is that, "one cannot manage change. One can only be ahead of it" (Drucker, 1999). Today, companies find that they can no longer enjoy the guarantee of

employee loyalty for the duration of their careers. Attrition, retirement, illness, and more lucrative job offers are factors that can create instability in a company's workforce. This instability can permeate through every level of the organizational hierarchy and can lead to gaps in the leadership structure of the company.

Conversely, today's workers realize that their companies can no longer offer the guarantee of lifetime employment that was once commonplace in industry. "Employers commitment to its employees is now temporary, lasting only as long as work is to be done" (Rothwell, 2005a). Employees, consequently, may no longer feel the same sense of loyalty that was emblematic of their predecessors.

Many a time, people retire from offices leaving behind knowledge gaps that are not easily filled up by other individuals. In most organizations, we do not have the next generation of leaders ready to fill the vacant roles. And as a result, under-qualified people move into leadership roles as there is no one better to take over. This is an issue that should be addressed much before these individuals do retire so that a smooth transition takes place from one personnel regime to another and the success of the organization can be ensured in terms of its continuity, responsive to competition, changing technology and expanding customer base. Job jumping, career changing, volatile industries, and shifting work environments are now a way of organizational life. The contracts between employer and employee have significantly changed" (Gaffney, S., 2005). It is within this increasingly fragile environment that companies need to secure the future of their organizations by ensuring that key positions within their firms remain competently staffed. Today's retirement trends and competitive labor market require new thinking about talent management.

In today's business world, employee retention is an important element of success to many organizations. Employees are always an asset to any organization. This is a reason why organizations ought to take retention of its employees as a top priority. When it comes to investment in hiring an employee, the process is quite expensive and time consuming. The expenses of recruitment involves advertisements for the job vacancies, the expense of paying recruiters, the time and effort spent for interviews and selection and so on (Finnegan, 2010). Retaining employees is one of the biggest problems that plague companies in the competitive marketplace regardless of the business cycle or economic condition today.

### 1.1. Succession Planning: Conceptual Aspect

The term "succession planning" has been used to describe a wide variety of activities that involve planning for key transitions in leadership within organizations (Garman & Glawe, 2004). The term succession planning has traditionally referred to planning for leadership continuity at the CEO level, but today succession planning provides for leadership continuity at all levels (Cooke, 1995). Succession Planning is the process of pinpointing the key need for intellectual talent and leadership throughout the organization over time and preparing individuals for present and future work responsibilities needed by the organization.

Succession planning is the attempt to plan for the right number and quality of managers and key-skilled employees to cover retirement, death, serious illness or promotion, and any new positions which may be created in future organization plans" (Sambrook 2005). Succession Planning has been defined as:

*A process of identifying and developing suitable employees with the potential, through mentoring, training and job rotation, to replace key players within an organization as their terms expire. It is rated as one of the top focus areas for HR as it attempts to pave the way for a smooth continuity of policies and practices that constitute organization culture. Succession planning is a voyage, not an end by itself. Succession planning is the course of action insuring that the appropriate intimates are ready, at the right time, to effectively run the organization and meet its future challenges.*

### 1.2. Brief Overview of Available Literature

There is a plethora of literature in the area of succession planning. The historical context of succession planning and its research is divided into three time periods. The first period covers from 1960 to 1980. This period can be designated as "The Rise of Succession Research." The second period, 1980 to 1990, is best described as "Emerging Trends and Development of Succession Planning." The third period can be described as "Succession Planning and Beyond," and it covers from 1990 to the present. Some debate exists concerning the origins of research into succession. Mahler and Graines (1983) considered the research done by Asbury as the

first formal report. **Kesner and Sebor** (1994) considered Grusky's works the origin. They argued that Grusky's research was among the first to identify key variables in the succession equation, to establish a research model, and to test a hypothesis.

### 1.2.1. Before 1980: The Rise of Succession Research

Research in planning for succession dates as far back as the early twentieth century with Henri Fayol's 14 principles of management published in 1916. Fayol's twelfth principle acknowledges the importance of developing and retaining key employees with his principle of "Stability of Tenure Personnel". But, it was not until the late 1950's and early 1960's that research in Succession Planning developed from mere case studies to being tested and studied for hypothesis confirmation (**Kesner & Sebor**, 1994).

**Paramasivan. C (2015)** Education becomes a powerful weapon to the socio-economic setup of the country which brings colorful changes in almost all the stakeholders. Providing quality and time bound education to the students is the vital role of the educational system of the country particularly in higher education which is highly knowledge based, innovation oriented and research centered. **Grusky (1960)** put forth the vicious-circle theory that described the event of succession as disruptive to the organization and the relationships among the members of the organizations. The incidence of turmoil through changes in policies and practices put forth by the new leader is a part of the vicious circle.

### 1.2.2. Studies in Succession Planning and Management from 1980 to 1989

The major research in succession planning from 1980's shows that **Carnazza (1982)** researched fifteen companies in the succession/replacement planning program. He supposed that the purpose of succession/replacement planning programs was to ensure the development of the adequate number of qualified workforce to fill key professional and managerial key positions, which may be the vacancy in the future. The purpose of this research was to examine how companies achieve the objectives of succession planning programs. He concluded that larger companies

are more interested to have formal succession planning. Companies also, should recognize that they need time, perhaps as long as five years, for a succession/replacement planning program to be fully implemented and they need the same time to enjoy the expected benefit. In addition, he explained that succession/replacement planning links candidate's potential to position needs. A model of succession/replacement planning that created the foundation for his research findings, were the particulars of the procedures needed to achieve two essential objectives of the succession/replacement planning program. First objective was deciding the position to be covered, which concerned a process of identifying important positions, and the second objective was the person to be included, which includes the process of managing essential managers.

The other study in this period was the study conducted by **Mahler (1983)**. He reviewed succession planning in sixty firms. Mahler proposed Leadership Pipeline model. The focus of this model is on leadership development rather than succession planning and management. The pipeline is not a straight cylinder but rather one that is bent in six places. Each passage shows a change in organizational situation—a different level and complexity of leadership—where a major turn has to be made. The main concerns of these turns are changes in job requirements, demanding new skills, time applications, and work value.

### 1.2.3. Studies in Succession Planning and Management from 1990 to 2012 and further studies

In the 1990s, succession planning expanded its focus from CEOs alone to include executives and other key positions. At the beginning of the 21st century, succession planning and management include a much broader spectrum of positions. **Byham, Smith, & Paese (2002)** pointed out in their book those corporate thinking needs to include a systematic succession planning and management program rather than succession planning as a form of risk management. They suggested that succession planning and management are not just for the CEO positions; rather it should be for all key employees, including key leaders. However, evaluation of the value of succession planning and management has received relatively little



attention from researchers and writers in comparison to other HR functions such as training. According to **Rothwell (2010)**, one reason for the lack of attention is that systematic succession planning and management is less common in organizations than more traditional HR functions. Another reason may be that succession planning and management are usually evaluated informally.

From 1990's most organizations figured out the necessity of succession planning and implementation of effective succession planning that fit their own organizations. At the first of this decade, **Zajac (1990)** researched on CEO selection, succession, compensation and firm performance. He concluded that firms in which CEOs had a specific successor in mind tended to be significantly more profitable than firms in which CEOs did not have a specific successor in mind.

### 1.3. Research Gap

An extensive study of available literature shows the following:

1. Popular literature is resplendent with articles focusing mainly on the importance of succession planning for smooth transition of business from one personnel regime to another.
2. Most of the studies have concentrated on investigating the impact of CEO succession on firm performance, especially on financial aspect.
3. There are a large number of studies in this field which are basically qualitative in nature. These studies have drawn certain normative conclusion without being backed by any quantitative results.
4. Specific measures of the real impact of succession planning on Higher Educational Institutions are less examined. Due to this inadequacy, the proposed research work focuses on study of impact of succession planning on individual-level basis.

Despite the growing interest of research done with leadership succession since the late fifties, little research is available to the Higher Educational Institutions on what drives effective succession planning in the Higher Educational Institutions. Moreover, employees are the main resource of any organization. Job satisfaction in terms of opportunity for growth, career development, equitable pay structure, satisfaction of promotion process are factors that have a huge impact on the organizational

commitment of an employee towards his organization. *Right identification of potential employees is very crucial in Higher Education Institutions which are characterized by interactive and knowledge –sharing industry, catering to auspicious students across the globe. The lack of research creates a need for relevant studies that will assist Higher Educational Institutions effectively plan for succession of their faculty members.*

### 1.6. Objectives of the Study

In view of the analysis of the above available literatures and after finding out the ultimate research vacuum, the following objectives were found to be pertinent for the study:

1. *To understand the best practices of Succession Planning by taking recourse to literature and published documents of companies who are best in this field in terms of its dimensions like, Management Support & Organization Policy like strategic view of SP, management commitment, implementation considerations; Selection of potential candidate and formation of talent pool; Identification of development plan for the successor in terms of executive coaching, mentoring, networking, job assignments and action learning;*
2. *To study and understand the existing succession planning process in select Higher Education Institutions in West Bengal,*
3. *To understand the employee perceptions regarding their career attitude in these select Higher Education Institutions.*
4. *To study the impact of succession planning on employee career attitude in the select Higher Education Institutions.*

### 3.1. Higher Education in West Bengal –An Overview

From the days of Adam Smith, the role of education in economic development, as a possible contributor to greater social and economic equality and as an enhancer of development was extensively recognized. The 18th and 19th Century school reformers in the US like Horace Mann, Henry Barnard, James Carter, Robert Dale Owen and George Evans favoured educational opportunities to be extended to poorer groups of population. In the early 20th century, Marshall emphasized that “the most valuable of all capital is that invested in human beings” and that

“knowledge is our most powerful engine of production; it enables us to subdue Nature and force her to satisfy our wants.” The human capital theory propounded by Schultz (1961) laid a strong foundation for treating education as an investment in human beings and for treating it as an important source of economic growth. According to the human capital theory, education transforms raw human beings into productive ‘human capital’ by imparting knowledge and inculcating skills required by both the traditional sector and the modern sector of the economy, and makes individuals more productive members of the society, not only in the market place but also in the households and also in the whole society.

Schultz and Denison’s growth accounting equations were again considered to be valid. According to the endogenous growth theories (Lucas 1988; Romer 1990), stock of human capital affects the growth rates of the economy by facilitating technological development, more innovations and higher efficiency or total factor productivity (TFP). These endogenous growth theories (Mankiw 1995) use two sector growth models and consider manufacturing firms as producing goods and (research) universities as producing knowledge, which is used in both sectors. Extensive empirical research during the last four decades has established that education makes a significant positive contribution to development directly as a factor of production, or indirectly through innovations, skill formation and technological development and through several externalities. Higher education is a very important form of investment in human capital. It enables people to learn for themselves and think critically. In the present context of transformation into knowledge societies, higher education provides not just educated workers but knowledge workers. The higher education system plays an important role in the social, economic and scientific development of a nation. It equips people with skills for gainful employment and enhances productivity and earnings (Duraisamy, 2002). Besides benefits to individuals, higher education confers several social benefits. Evidence shows that higher education plays a significant role in making income distribution more equal (Gregorio and Lee, 2002). It makes a significant contribution to the reduction in absolute as well as relative poverty, infant

mortality and to the increases in life expectancy, thus contributing to human development. The development of higher education is thus important especially for India, which is currently experiencing a demographic dividend with a relatively higher share of youth in the population.

### 2.1.1. Type of Data

#### a) Primary Data

Data has been collected from first-hand experience through primary data by preparing **structured questionnaire** comprising of **Open-ended** and **Closed-ended questions**. This survey consists of **demographic questions** in the beginning, **dichotomous and multiple-choice questions** in the middle, 5-point **Likert Scale** questions, and finally **open question** where respondent could write suggestions or opinions.

#### b) Secondary Data

Relevant secondary data is also collected from the literature review through different **books, journals, websites, Government and Non-Government Reports, reports of NGOs, Newspapers and periodicals**, the help of which has to be taken from time to time.

### 2.1.2. Area of Study

As this is a self-financed study so to confirm my study area and due to financial limitations and limitations of human resource, I have confined my study within the district of Paschim Bardhaman and data were collected from thirteen (13) general degree colleges and one State Aided University. The list is as under:

- (a) Asansol Girls’ College
- (b) Banwarilal Bhalotia College
- (c) Bidhan Chandra College, Asansol
- (d) Deshbandhu Mahavidyalaya
- (e) Durgapur Government College
- (f) Kazi Nazrul Islam Mahavidyalaya
- (g) Kazi Nazrul University
- (h) Khandra College
- (i) Kulti College
- (j) Michael Madhusudan Memorial College
- (k) Pandaveswar College
- (l) Raniganj Girls’ College
- (m) Triveni Devi Bhalotia College

### 2.1.3. Period of Study

The data collection period was approx. one (1) year from the date of registration. I sent Structured Questionnaires physically and in Google Forms to all the above 13 colleges, based on email id’s received from the college authorities and through my friends, colleagues

and personal sources, without any personal choice, i.e., randomly. But I received 284 completed questionnaires from the respondents. The total population consists of 652 teachers, non-teaching employees and external officials including Governing Body members. So, the sample was almost 40 per cent of the total Population under study.

## 2.2. Type of Sampling

**Step-I:** *Random Sampling has been used for selecting the study area, i.e., the universities and/or Higher Education Institutions. For this purpose, the necessary secondary data have been taken from the Directorate of Higher Education, Government of West Bengal and the University List published officially by UGC and AIU.*

**Step-II:** *Then Convenience/Judgmental Sampling has been followed for selecting the respondents.*

**Step-III:** *Wherever necessary, ethnographic techniques has also been adopted for getting the data.*

## 2.3. Tools for Empirical Data Analysis

For the purpose of convenience of analysis, the total analysis has been divided into six sections.

1. **Section A** explains the method of data collection, the sources of data, the type of sampling, the period of data collection etc have been explained.
2. **Section B** deals with various tests like tests of accuracy, test of reliability, test of validity & test of normality. The results of all tests are within the standard range and support the fact that the analysis can be carried out.
3. **Section C** analyzed only the demographic variables using the data received from the respondents through fill-in structured questionnaires and the specific tools used here for analysis are mainly frequency distribution and frequency tables, prepared through SPSS 17 [*Has been discussed in Chapter – 5 of the present study*].
4. **Section D** analyzed the variables arising out of the research-specific questions asked to the correspondents through structured questionnaires and the specific tools used here for analysis are mainly frequency distribution and frequency tables, prepared through SPSS 17. [*Has been discussed in Chapter – 5 of the present study*]
5. **Section E** is a more specific and pin-pointed analysis which used Exploratory

Factor Analysis to identify the factors influencing the succession planning of the employees in the sample HEIs. I have used Principal Component Analysis consisting of 10 variables and also Varimax Rotation Method. [*Has been discussed in Chapter – 5 of the present study*]

## 2.4. Methods of Data Collection etc.

Data has been collected from first-hand experience through primary data by preparing **structured questionnaire** comprising of **Open-ended** and **Closed-ended questions**. This survey consists of **demographic questions** in the beginning, **dichotomous and multiple-choice questions** in the middle, 5-point **Likert Scale** questions, and finally **open question** where respondent could write suggestions or opinions.

As this is a self-financed study so to confirm my study area and due to financial limitations and limitations of human resource, I have confined my study within the district of Paschim Bardhaman and data were collected from thirteen (13) general degree colleges and one State Aided University. The list is as under:

- a) Asansol Girls' College
- b) Banwarilal Bhalotia College
- c) Bidhan Chandra College, Asansol
- d) Deshbandhu Mahavidyalaya
- e) Durgapur Government College
- f) Kazi Nazrul Islam Mahavidyalaya
- g) Kazi Nazrul University
- h) Khandra College
- i) Kulti College
- j) Michael Madhusudan Memorial College
- k) Pandaveswar College
- l) Raniganj Girls' College
- m) Triveni Devi Bhalotia College

The data collection period was approx. one (1) year from the date of registration. I sent Structured Questionnaires physically and in Google Forms to all the above 13 colleges, based on email id's received from the college authorities and through my friends, colleagues and personal sources, without any personal choice, i.e., randomly. But **I received 284 completed questionnaires from the respondents.**

## 2.5. Type of Sampling

**Step-I:** Random Sampling has been used for selecting the study area, i.e., the universities and/or Higher Education Institutions. For this purpose, the necessary secondary data have been taken from the Directorate of Higher Education, Government of West Bengal and the University List published officially by UGC and AIU.

**Step-II:** Then Convenience/Judgmental Sampling has been followed for selecting the respondents.

**Step-III:** Wherever necessary, ethnographic techniques has also been adopted for getting the data.

### **3.1. Findings**

After having a minute analysis of the empirical data collected from the sample select respondents, the following findings were felt pertinent:

#### **3.1.1. Findings from the Analysis of Demographic Variables**

1. Majority of the respondents fall in the age group of <30 years which is most suited for post-graduate studies as per the Indian Education Scenario.
2. Considerable number of males go in for jobs in Higher Educational Institutions after completion of post-graduation studies and the female respondents go for marriage or they may have some sort of family ties.
3. Majority of the respondents (52.2%) fall in the tenure group of 2-5 years which is most relevant for serving in Govt. and Govt.-aided Higher Education Institutions.
4. All the target respondents are college teachers having minimum qualification of Post-graduate degree in select District of West Bengal.
5. It's very much clear from the above data that the researcher considered responses provided by teachers from Government & government-aided colleges of District of Paschim Bardhaman of West Bengal as majority of the respondents exists from there.

#### **3.1.2. Findings from the Analysis of Research-specific Variables**

1. Majority of the respondents opined SD (Strongly Disagree) so, the HEI doesn't identify critical positions and prioritize them in identification of potential candidates.
2. Majority of the respondents opined strongly agree so, the senior leadership is

highly committed towards succession planning.

3. Majority of the respondents opined that they strongly agree to the fact that they are aware of the competencies they should have to develop to meet the future needs.
4. Majority of the respondents opined that the success in projects/ missions determines who gets ahead around here.
5. Most of the respondents strongly disagreed that the HEI don't have any strong succession planning in place.
6. Most of the respondents strongly disagreed that they can't go ahead in the HEI even if they prove themselves to be in their role.
7. Employee promotions are not given based on assessment of the potentials of the individuals as most of the respondents strongly disagreed.
8. The respondents are happy with the training and learning opportunities provided in advancing their career.
9. Most of the respondents strongly agree that there exists an organization-wide communications system for sharing information regarding the job openings.
10. Majority of the respondents strongly feel that there exists a structured promotion process in the organization, as it's evident from various government and related circulars.
11. Majority of the respondents (58.8%) proposed SA (Strongly Agree) so, it proves the statement, "I AM HAPPY WITH THE TANGIBLE BENEFITS LIKE INCOME CAREER SUCCESS".
12. Majority of the respondents (48.9%) proposed SA (Strongly Agree) so, it supports the statement, "I am happy with the process of developing identified people to occupy higher positions".
13. Majority of the respondents do not support the statement, "I am happy with the reward and recognition system for outstanding works and contributions".
14. Majority of the respondents (54.9%) proposed SD (Strongly Disagree) so, it does not support the statement, "I am happy with the congenial working atmosphere at my work place".
15. Majority of the respondents (68.0%) proposed SD Strongly Disagree) so, it does not support the statement, "I am

happy with the quality of supervision I get from my boss in terms of career development”.

16. Majority of the respondents do not support the statement, “my overall attitude towards career is highly positive in this organization”.

**3.1.3. Findings from the Exploratory Factor Analysis**

1. The value of KMO is **0.814** which is higher than 0.5 indicates that the sample is adequate for carrying out factor analysis and has sufficient items for each factor.

2. Similarly, the control of Sphericity (Bartlett’s sig < 0.001) indicates that EFA can be carried out as because the correlation matrix is different from an identity matrix and correlations between variables are not zero..

3. **Principal Component Analysis (PCA)** is a method of reducing large number of variables into smaller number of factors and at the same time preserving most of the statistical information. In order to carry out Principal Component Analysis to identify the factors which have effect on perception study of the sample select respondents regarding the Succession Planning, it’s evident that **sixteen (16) variables are extracted into five (5) exploratory factors** which explain **78.023% of the total variance**.

4. **FACTOR-1: Competencies and Congeniality:** The first Factor (Factor 1) consists of variables X9, X15, X20 & X10 which are:

**X9** = Stakeholders are aware of what are the competencies they should have to develop to meet the future needs

**X20** = I am happy with the congenial working atmosphere at my workplace

**X15** = There exists organization-wide communications system for sharing information regarding the job openings

**X10** = Success in projects/missions determines who gets ahead around here

The multiple regression equation for this exploratory factor “**Competencies and Congeniality**” is greater than 1 and is

$$\beta_1 = 0.899X_9 + 0.681X_{20} + 0.615X_{15} + 0.650X_{10} \dots\dots\dots (i)$$

5. **FACTOR-2: Training and Recognition:** The second Factor (Factor

2) consists of variables X14, X19 & X12 which are:

**X14** = I am happy with the training and learning opportunities provided to people in advancing their career

**X19** = I am happy with the rewards and recognition system for outstanding works and

**X12** = I can get ahead in the HEI if I prove myself to be in my role

The second exploratory factor with three variables is named as “**Training and Recognition**”. The multiple regression equation for this exploratory factor “**Training and Recognition**” is greater than 1 and is:

$$\beta_2 = 0.769X_{14} + 0.764X_{19} + 0.724X_{12} \dots\dots\dots (ii)$$

6. **FACTOR 3:** The third factor (Factor 3) consists of variables X8, X11 & X13 which are:

**X8** = Senior leadership is highly committed towards succession planning

**X11** = The HEI has a strong succession planning in place

**X13** = Employee promotions are given based on assessment of the potentials of the individuals

The Third exploratory factor with two variables is named as “**Commitment and Potential**”. The multiple regression equation for this exploratory factor “**Commitment and Potential**” is greater than 1 and is:

$$\beta_3 = 0.821X_8 + 0.763X_{11} + 0.745X_{13} \dots\dots\dots (iii)$$

7. **FACTOR 4:** The fourth factor (factor 4) consists of three variables X16, X17 & X21 which are **X16** = I feel that there exists a structured promotion process in the organisation

**X17** = I am happy with the tangible benefits like income, career success etc.

**X21** = I am happy with the quality of supervision I get from my boss in terms of career development.

8. **Factor-4:** The fourth exploratory factor with three variables is named as “**Tangible Benefits and Supervision**”. The multiple regression equation for this exploratory factor “**Tangible Benefits and Supervision**” is greater than 1 and is

$$\beta_4 = 0.747X_{16} + 0.631X_{17} + 0.628X_{21} \dots\dots\dots (iv)$$

9. **FACTOR 5:** The fifth and final factor (factor 5) consists of one variable X7 which is :

**X7** = The HEI identifies critical positions and prioritize them in identification of potential candidates

The loading of X16 is 0.860. The fifth exploratory factor with one variable is named as **“Identification and Prioritization”**. The multiple regression equation for this variable **“Identification and Prioritization”** is greater than 1 and is

$$B5 = 0.860X7 \dots\dots\dots (v)$$

So, from the above findings it can be concluded that decision making in relation to viral marketing (**D<sub>VM</sub>**) depends on four factors namely, **“Competencies and Congeniality”**, **“Training and Recognition”**, **“Commitment and Potential”**, **“Tangible Benefits and Supervision”** and **“Identification and Prioritization”** i.e.

$$D_{SP} = \beta_1 + \beta_2 + \beta_3 + \beta_4 + \beta_5$$

Then, X1, X2, X3, X4, X5, X6 proved to be redundant variables.

**3.2. Conclusion and Recommendations**

**3.2.1. Conclusion**

From the Government to non-government and even in Government-aided or sponsored HEIs, leadership development is important in business. Succession Planning is one of the top focus areas for HR as it attempts to pave the way for a smooth transition of business from one personnel regime to another by identifying the potential candidate and developing him so that he can take up the higher position. However, question remains how the succession planning process is to be implemented. If it is done in secrecy and companies include only top executives and human resource specialist to make decisions, then such limiting participation creates two problems: Firstly, the manager of the selected candidate being unaware of the selections, might not help develop the selected employee with challenging assignments and regular feedback and it can seriously undermine the readiness of high potential employees to move into positions of greater responsibility. Limiting participation also leaves gaps in

information about employee’s strengths, development needs and career aspirations. Employees’ immediate supervisors often can provide managers with insights into how employees work with others and what pertinent experience or skills they have. Hence widespread participation in succession planning must be practiced. However, widespread participation has also some demerits. Large majority of genuine performers lose their motivation if they are not identified in the plan and employees who are identified in the plan develop unrealistic expectations. People are the most important resource of any organization. Hence HEIs should equally focus on identifying the right potential as well as maintaining the positive attitude of the genuine performers towards their career and organizations.

**3.2.2. Recommendations**

Based on the findings/observations in the area of succession planning in select HEIs in the District of Paschim Bardhaman and its impact on employee career attitude, following are the suggestions or recommendations made by the researcher.

1. The performance appraisal system used by the select HEIs to appraise the performance of its employees has many drawbacks.
2. Firstly, it has been found that goal setting sessions are mostly dominated by the managers; goals are set by the managers without any consultation with the subordinates and are imposed on the subordinates. As a result, it is difficult for the subordinates to support such goals from the core of their heart and put their efforts to achieve it. This problem can be overcome by actively involving the subordinates in the goal setting activity so that they do feel that their suggestions, areas of concern are given due weightage by the boss before final setting of goals.
3. Education being service-based industry, follows project organization structure where people work in teams under the leadership of a project leader/manager to achieve project goal and hence organizational goal. However, the rigid distribution of bell-curve to appraise the performance of its employees calls for fixing the percentage of top performers at a given hierarchy, and this results in a competitive rather than the collaborative environment. This has an adverse impact

on the teamwork, which forms the backbone of any project-based industry.

4. The researcher has suggested developing a performance appraisal system which will be based entirely on performance of the employee. There should not be any fixed percentage that will determine the number of top performers or bottom performers, rather, whether an employee will fall in the category of top performers or average performers or bottom performers will be totally decided by his performance in previous/last project.
5. This shows that feedback system to explain the genuine performers why they are not considered as top performers is very weak. Analysis of factors of succession planning shows a low factor score of variable x<sub>9</sub> (Awareness of competencies to be developed).
6. An in-depth interview with the respondents reveal that most of the employees view that they are not aware of reasons for not labeling them as top performers, although they have shown a good performance in the last project. This shows that feedback system regarding the potentials/competencies of the employees in the succession planning process is weak. HEIs should be more transparent in giving proper feedback to its employees about their competencies and potentials.

### 3.2.3. Limitations of the Study

The study has a number of limitations, which are outlined as below.

1. The Education industry is a service-driven industry, dealing with national and multinational clients across the globe. Hence data secrecy and data espionage is very high in the industry. Consequently, the employees as well as the HR departments are very much reluctant to share information through their official records and for this the researcher had to depend on their verbal communications. As a result, there may be a gap of actual happening and responses received.
2. The second limitation of this study is also related to gathering of data from the respondents. Availability of the executives like Principal, GB President etc. was a real trouble for the researcher. Many a times, personal interactions with these executives were not possible due to their busy schedule. Hence the researcher had to mail questionnaire to the respondents, where also the rejection rate was quite high. Even during personal interactions, the executives were reluctant to provide opinion and to give personal interview in detail.
3. The data collection was confined to only 13 colleges and that too was restricted to their particular office in the city of Kolkata since constraints were faced during data collection.
4. The sample for present study comprised of 284 respondents, which is a very small proportion of the entire population of teachers serving in West Bengal. Therefore research studies with much larger sample size would be required to ensure appropriate generalization of the study.
5. The construct of Succession Planning and Career Attitude are measured through instrument which are designed by the researcher, and had been validated by two HR Experts. Though the instrument shows scientific reliability and validity, more studies are required to before it is established as an acceptable tool for exploring succession planning and its impact on career attitude.

### References

1. Allen R. D., Hitt M. A. and Greer C. R. (1982). "Occupational Stress and perceived Organizational effectiveness in Formal Groups: An Examination of Stress Level and Stress Type", *Personnel Psychology, Summer*, pp 359 - 70
2. Bakke, J . (1992). "IBM's New OS/ 2 Software: It's A Go!". Pp. 12 - 19. *THINK. Vol. 58. , 12- 19.*
3. Barr, A., & Shirley, T. (1996). "The Globalization of Software R&D: The search for talent", *Working Draft, December 5, 1996.*
4. Baruch, Y., Peiperl (2000). *Career Management Practices: An Empirical Survey and Implications. Human Resource Management., 39(4), pp 347-366.*
5. Bhatnagar, J. (2007). "Talent Management strategy of employee engagement in Indian ITES employees: Key to retention". *Employ ee Relations. Vol. 29. No. 6. , 640 - 663.*
6. C. Derr, C. Jones, and E. Toomey (1988). "Managing High Potential Employees: Current Practices in Thirty-Three U.S. Corporations" *Human Resource Management, 27:3 pp 278*

7. Cable DM, Murray B. (1999). *Tournaments versus sponsored mobility as determinants of job search success. Academy of Management Journal*, 42, 439-449.
8. Campbell- Kelly, M. (1995). "ICL: A Business and Technical History". . USA: Oxford University Press.
9. Cannella Jr., Albert A. and Wei Shen. (2001). *So Close and Yet so Far: Promotion versus Exit for CEO Heirs Apparent. The Academy of Management Journal*, 44(2), pp. 252-270.
10. Charan, R. (2005). *Ending the CEO succession crisis. Harvard Business Review*, 83(2), pp 72-82.
11. Cheryl Getty (1993). *Planning successfully for succession planning. Training & Development*, November, pp 31-33.
12. Chung, K.H., Lubatkin, M., Rogers, R.C., & Owers, J.E. 1987. *Do insiders make better CEOs than outsiders? Academy of Management Executive*, 1: 323-329.
13. Chun-Hsien, L., Mu-Lan, H. & Nai-Hwa, L. (2006). *The impacts of benefit plans on employee turnover: a firm-level analysis approach on Taiwanese manufacturing industry, International Journal of Human Resource Management*, 17(11), 1951-1975.
14. Conger, J., Fulmer, R. (2003) *Developing Your Leadership Pipeline. Harvard Business Review*.
15. Cooke, R. (1995). *Succession Planning. Credit Union Management*, 18(10), pp 27-28
16. Davidson III, W.N., Nemec, C., Worrell, D.L. & Lin, J. (2002). *Industrial origin of CEOs in outside succession: Board preference and stockholder reaction. Journal of Management and Governance*, 6, 295-321.
17. Anastasiadou, S. (2006). *Factorial validity evaluation of a measurement through principal components analysis and implicative statistical analysis. In 5th Hellenic Conference of Pedagogy Company, Thessaloniki (pp. 341-348).*
18. Arthur W. Sherman Jr., George W. Bohlander, and Herbert Chrudden (1988). *Managing Human Resources*, 8th ed. (Cincinnati: South-Western Publishing Co., pp. 95-96.
19. Bardwick, J.M. (1986). *The Plateauing Trap*, Toronto: Bantam Books.
20. Berke David (2005). *Succession Planning and Management: A Guide to Organizational Systems and Practices (CCL) Paperback – June 24, 2005.*
21. Bossidy, L., Charan Ram. (2009) *Execution: The Discipline of Getting Things Done*, New York: Crown Business.
22. Byham, William.C, Smith, Audrey B and Paese, Mathew J.(2002) *Grow Your Own Leaders: How to Identify, Develop, and Retain Leadership Talent. New Jersey: Prentice Hall.*
23. Charan, R. et al. (2001) *The Leadership Pipeline: How to Build the Leadership-Powered Company. San Francisco: Jossey-Bass.*
24. Chawla . D & Sondhi . N, (2011). *Research Methodology, Concept & Cases, Vikas Publishing House.*
25. Clark, R. (1992), *Australian Human Resource Management: Framework and Practice. Second Edition, McGraw Hill.*
26. Cronbach, L. (1984). *Essentials of psychological testing. New York: Harper & Row.*
27. Cunningham .S (1991), "Coaching Today's Executive," *Public Utilities Fortnightly* 128:2
28. Dascher, P. E., & Jens, W. G. (1999). *Family business succession planning. Business Horizons*, 99(5), pp 3-4.
29. David D. Dubois and William J. Rothwell, (2004). *Competency-Based Human Resource Management (Palo Alto, Calif.: Davies-Black).*
30. Deegan Arthur (1986). *Succession Planning: Key to Corporate Excellence (Hoboken, N.J.: Wiley-Interscience, 1986), p. 5.*
31. Dhayalan, U. (2005). "The Impact of High Performance Human Resources Management Practices on Corporate Performance: With Special Reference To Corporate In India And Singapore". *Pondicherry : Pondicherry University.*
32. Drucker, P. F. (1999). *Management challenges for the 21st century. New York: HarperCollins.*
33. E.J. Zajac.(1990) *CEO Selection. Succession, Compensation and Firm performance: a Theoretical Integration and Empirical Analysis. Strategic Management*, 11(3): pp 217-230.



34. Finnegan, R.P (2010). *Rethinking Retention in Good Times in Bad*, Boston: Nicholas Brealey Publishing.
35. George S. Odiorne, *Strategic Management of Human Resources: A Portfolio Approach* (San Francisco: Jossey-Bass, 1984), p. 305
36. Greenhaus JH, Parasuraman SJ, Wormley WM. (1990). *Effects of race on organizational experiences*,
37. John Gabarro (1987). *The Dynamics of Taking Charge*. Harvard Business School Press.
38. Katz, R. (1992), *Career Issues in Human Resource Management*. Prentice Hall.
39. Kothari, C. R. (2004). "Research Methodology : Methods and Techniques". New Delhi: New Age International (P) Limited.
40. Michael I. Harrison (2004). *Diagnosing Organizations: Methods, Models, and Processes* (Thousand Oaks, Calif.: Sage).
41. Milind Kotwal, *Model and Method for Competency Mapping and Assessment*, Sunrise Management Consulting Services.
42. Nunnally, J. (1978). *Psychometric methods*. New York: McGraw-Hill.
43. Paramasivan. C (2015), *Conventional Methods of Training to Teacher and Its Impact In Higher Education, Advanced Scientific Research &Development (IJASRD), Volume 02, Issue 04 (Oct – Dec'2015) | PP 01 – 09*
44. Porter, M. (1985). *Competitive Advantages*. New York: The Free Press.
45. Psarou, M. K., & Zafiropoulos, C. (2004). *Scientific Research: Theory and Applications in Social Sciences*. Athens, Tipothito, Dardanos.
46. Richard Boyatzis (1982). *The Competent Manager: A Model for Effective Performance* (Hoboken, N.J.:John Wiley & Sons).
47. Robbins S. P, (2003). *Organizational Behaviour, 10<sup>th</sup> edition, Perarson Education*
48. Rothwell WJ (2010) *Effective Succession Planning, Ensuring Leadership Continuity and Building Talent From Within. 4th ed*, American Management Association, New York.
49. Schermerhorn, J.R., Hunt, J.G. and Osborn, R.N. (1997): *Organizational Behaviour (8 th Ed)*, New York.
50. Stevens, P. (1993), *Career Development Support in Organizations*. Worklife Pty Ltd.
51. Tschang, T. (2001). "The Basic Characteristic of skills and Organizational Capabilities in the Indian Software Industry ". Tokyo: ADB Institute.
52. Ulrich, D. (1997). "Human Resource Champions: The next agenda for adding value and delivering results ". Boston, MA: Harvard Business School.
53. Walker, J. (1980). *Human Resource Planning*. McGraw Hill, New York.
54. Watson Charles E (1979). *Management Development Through Training* (Reading, Mass.: Addison Wesley).
55. William C. Byham, Audrey B. Smith, and Matthew J. Paese (2002), *Grow Your Own Leaders: How to Identify, Develop, and Retain Leadership Talent* (Upper Saddle River, N.J.: FT Press).
56. William J. Rothwell and H. C. Kazanas, *Building In-House Leadership and Management Development Programs* (Westport, Conn.: Quorum Books, 1999);
57. William J. Rothwell and H. C. Kazanas, *Planning and Managing Human Resources: Strategic Planning for Personnel Management, 2nd ed.* (Amherst, Mass.: HRD Press, 2003).
58. World Bank. (2009). "India's investment climat, Voice of the Indian Business". Washington, DC. USA:World Bank.
59. Zafiropoulos, K. 2005. *How a scientific essay is done? Scientific research and essay writing*. Athenhs, Greece, Ed, Kritiki.

Available online @ [www.iaraindia.com](http://www.iaraindia.com)  
RESEARCH EXPLORER-A Blind Review & Refereed Quarterly International Journal  
ISSN: 2250-1940 (P) 2349-1647 (O)  
Impact Factor: 3.655(CIF), 2.78(IRJIF), 2.77(NAAS)  
Volume XI, Issue 38  
July - December 2023  
Formally UGC Approved Journal (63185), © Author

## USERS' PERCEPTION ON THE USAGE OF CRYPTOCURRENCY & BITCOINS

**Prof. PRANAM DHAR**

Professor & Head, Department of Commerce, West Bengal State University, Barasat, Kolkata

**ANINDITA SAHA**

Assistant Professor & Head, Department of Commerce, East Calcutta Girls' College, Kolkata

**SURYATA PRADHAN**

Faculty Member, Department of Commerce, West Bengal State University, Kolkata

**ARUNAVA DUTTA**

Student, M.Com Sem-IV, West Bengal State University, Kolkata

### **Abstract**

*In the last few years, the value and interest in Bitcoins have been increasing. People are like to invested their money in Cryptocurrencies specially in Bitcoin. Due to a lack of confidence in the traditional banking system. When an investor will want to investing their money in bank, they face some difficulties like (Form fill-up, show all original personal documents and also given their x-ray copy, collecting certificate different day etc). Now these days the world and our country is looking to become more efficient in financial transaction in many ways. During this pandemic situation people want to focus only online transaction and reduce offline transactions. So Bitcoins and Cryptocurrencies are finally feeling some relief. People are well-known about Bitcoins and Cryptocurrencies through T.V., Newspapers, and social media. "This project shows users perception on the usage of Cryptocurrencies and Bitcoins." Now we want to explain, what is known as Bitcoin and Cryptocurrencies.*

**Keywords:** Cryptocurrency Market, User Perception, Bitcoin, Blockchain Market.

### **Bitcoins – An Overview**

Satoshi Nakamoto, a pseudonym published a Cryptocurrencies in 2009 known as Bitcoin. The term of Bitcoin is much gainful in all payments and transactions. Bitcoin is a valuable network platform that enables a new payment and completely digital currency like (digital wallet). An investor invests their money in Bitcoin anytime and also sells their investment anytime. It is the first decentralized peer-to-peer payment network.

The major advantages associated with Bitcoins are purely digital highly liquid asset, where in user can buy, send and receive Bitcoin electronically for normal fees using software on a personal computer or mobile. Bitcoin area payment freedom, where in user can sale, buy, received any amount of money constantly anywhere in the world at any time, no bank holidays, no borders, no imposed limits. Bitcoin transaction fees very low, where in Bitcoin payment process with either no fees or extremely small fees, user may

include fees with transaction to receive priority processing. Bitcoin investment very attractive for micro transaction and minimum risks for merchants, where in the fees is so low that Bitcoin can be used transaction that is economically unattractive for most merchants especially in developing countries.

#### **What are Cryptocurrencies?**

When Bitcoins published in financial market at the same time many private Cryptocurrencies have been introduced. Cryptocurrency is a digital way investing money in financial market. Bitcoin is a part of cryptocurrency like (if hundred rupees is cryptocurrency then ten rupees is bitcoin). Now these days Bitcoin leave another cryptocurrency. Most important and a number of Central Bank started recently to explore the adoption of Cryptocurrency for retail and large value payments. Ex- the Bank of Canada and Monetary Authority of Singapore are starting the using this system. Now these days people are believing that Cryptocurrencies will have significant role in future development of payment and financial systems.

#### **Emergence of Cryptocurrency and related Regulations in India**

The story of cryptocurrencies started in 2008 when a paper titled "Bitcoin: A Peer to Peer Electronic Cash System" was published by a single or group of pseudonymous developer(s) by the name of Satoshi Nakamoto. The actual network took some time to start with the first transactions taking place only in January 2009. The first actual sale of an item using Bitcoin took place a year later with a user swapping 10,000 Bitcoin for two pizzas in 2010, which attached a cash value to the cryptocurrency for the first time. By 2011 other cryptocurrencies began to emerge, with Lite coin, Name coin and Swift coin all making their debut.

Meanwhile, Bitcoin the cryptocurrency that started it all started getting criticised after claims emerged that it was being used on the so-called "dark web", particularly on sites such as Silk Road as a means of payment for illegal transactions. Over the next five years cryptocurrencies steadily gained traction with increased number of transactions and the price of Bitcoin, the most popular cryptocurrency shot up from around 5 Dollars in the beginning of 2012 to almost 1000 Dollars at the end of 2017.

Riding on the back of this wave of popularity, a number of cryptocurrency exchanges started operating in India between 2012 and 2017 providing much needed depth and volume to the Indian cryptocurrency market. These included popular exchanges such as Zebpay, Coin secure, Uno coin, Koinex, Pocket Bits and Bitxoxo. With the price of cryptocurrencies shooting up and because of its increased popularity and adoption by users outside of its traditional cult following, regulators worldwide began to take notice of this new technology; in India the RBI issued a Press Release cautioning the public against dealing in virtual currencies including Bitcoin way back in 2013. However, the transaction volumes and adoption of cryptocurrencies in India really picked up in earnest only after the demonetisation of high value currency notes in November of 2016, with the government's emphasis on digital payments leading to alternatives to traditional online banking such as cryptocurrencies forcing their way into the public consciousness. Indian cryptocurrency exchanges started acquiring users at a much higher pace which drove up volume for cryptocurrency transactions on all Indian exchanges. The growing popularity of cryptocurrencies and its adoption by large numbers of Indian users forced the RBI to issue another Press Release in February 2017 reiterating its concerns regarding cryptocurrencies raised in its earlier Press Release of 2013.

In October and November, 2017 two Public Interest Petitions were filed in the Supreme Court of India, one by Siddharth Dalmia and another by Dwaipayana Bhowmick, the former asking the Supreme Court to restrict the sale and purchase of cryptocurrencies in India, and the latter asking for cryptocurrencies in India to be regulated. Both the petitions are currently pending in the Supreme Court.

In November, 2017 the Government of India constituted a high level Inter-ministerial Committee under the chairmanship of Shri Subhash Chandra Garg, Secretary, Department of Economic Affairs, Ministry of Finance and comprising of Shri Ajay Prakash Sawhney (Secretary, Ministry of Electronics and Information Technology), Shri Ajay Tyagi (Chairman, Securities and Exchange Board of India) and Shri B.P. Kanungo (Deputy

Governor, Reserve Bank of India). The mandate of the Committee was to study various issues pertaining to Virtual Currencies and to propose specific actions that may be taken in relation thereto. This Committee submitted its report in July of 2019 recommending a ban on private cryptocurrencies in India.

In December 2017 both the RBI as well as the Ministry of Finance issued Press releases cautioning the general public about the dangers and risks associated with cryptocurrencies, with the Ministry of Finance Press Release saying that cryptocurrencies are like ponzi schemes and also declaring that they are not currencies or coins. It should be mentioned here that till the end of March 2018, the RBI and the Finance Ministry had issued various Press Releases on cryptocurrencies cautioning people against their risks, however none of them ever took any legal action or gave any enforceable directions against cryptocurrencies. All of this changed with the RBI circular dated April 6, 2018 whereby the RBI prevented Commercial and Co-operative Banks, Payments Banks, Small Finance Banks, NBFCs, and Payment System Providers not only from dealing in virtual currencies themselves but also directing them to stop providing services to all entities which deal with virtual currencies.

The effect of the circular was that cryptocurrency exchanges, which relied on normal banking channels for sending and receiving money to and from their users, could not access any banking services within India. This essentially crippled their business operations since converting cash to cryptocurrencies and vice versa was an essential part of their operations. Even pure cryptocurrency exchanges which did not deal in fiat currency, were unable to carry out their regular operations such as paying for office space, staff salaries, server space, vendor

payments, etc. without access to banking services.

As the operations of cryptocurrency exchanges took a severe hit and the number of transactions on these exchanges reduced substantially. People who had bought cryptocurrencies on these exchanges as an investment were forced to sell their crypto assets and cash out before they lost access to banking facilities. The cryptocurrency exchanges themselves found it hard to sustain operations in the face of the dual hit of reduced transaction volumes and loss of access banking services. Faced with such an existential threat, a number of exchanges who were members of the Internet and Mobile Association of India (IMAI), filed a writ petition in the Supreme Court on May 15, 2018 titled Internet and Mobile Association of India v. Reserve Bank of India, the final arguments in which were heard by the Supreme Court of India in January, 2020 and the judgment is awaited. If the Supreme Court agrees with the arguments of the petitioners, then cryptocurrency exchanges would be able to restart operations in India; as a result the cryptocurrency ecosystem in India may be revived and cryptocurrencies may become a viable investment alternative again.

With this brief introduction, we have decided to undergo a study, on the users' perception of the Cryptocurrency and Bitcoins in India, to be more specific, in my study area.

**Brief Review of the Literatures Available**

Any research must deal with a proper and brief review of the related literatures available, in international and national arena, to find out the proper research questions and also to find out the proper research gap. Therefore, we tried to have a minute review of some of the relevant literatures, keeping in mind, the pandemic and non-availability of most of the subscribed sites in university library due to lockdown.

SL NO	AUTHOR	SOURCES	METHODOLOGY	FINDINGS
1.	Usman W. Chohan	<b>A History of Bitcoin</b> ( <i>UNSW Business School</i> , <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3047875">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3047875</a> ), 06/10/17	Secondary Data	The monetary value of Bitcoin continuous to rise and also growth the number of alternative Currencies number of businesses which are related to Bitcoin.
2.	Vavrinec Cermak	<b>Can Bitcoin Become a Viable Alternative to Fiat Currencies? An empirical analysis of Bitcoin's volatility based on a GARCH</b>	Secondary Data & Statistical tools and	Bitcoin presently acts as a scarce digital commodity with a finite supply. It make Bitcoin highly speculative.

		<b>model</b> ( <i>Skidmore College - Department of Economics,</i> <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2961405">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2961405</a> ),02/05/17	techniques	Bitcoin’s sole value lies in its network.This makes Bitcoin vulnerable to potentially superior alternatives.
3.	Paolo Tasca & Shaowen Liu & Adam S. Hayes & Deutsche Bundesbank	<b>The Evolution of the Bitcoin Economy: Extracting and Analyzing the Network of Payment Relationship</b> ( <i>UCL Centre for Blockchain Technologies, University of Padova - Department of Statistical Sciences and University of Wisconsin - Madison - Department of Sociology,</i> <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2808762">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2808762</a> ),13/07/16	Secondary Data & Statistical tools and techniques	A quantitative assessment of the systemically important categories within the Bitcoin economy and their network of payment relationships.
4.	Angela Walch	<b>The Bitcoin Blockchain as Financial Market Infrastructure: A Consideration of Operational Risk</b> ( <i>St. Mary's University School of Law; UCL Centre for Blockchain Technologies,</i> <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2579482">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2579482</a> ),16/03/15	Secondary Data	Important technology and Governance risks that could impact Bitcoin’s ongoing operation.That means the operation of any financial market infrastructure that uses its Blockchain.
5.	Campbell R. Harvey	<b>Bitcoin Myths and Facts</b> ( <i>Duke University - Fuqua School of Business,</i> <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2479670">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2479670</a> ), 16/08/14	Secondary Data	Bitcoin is not a fad and it is unlikely a bubble.It solves many important problems (security, no counter feiting, no charge backs, low or zero transactions costs, microtransactions, no credit checks, no centralized institutions, etc.)
6.	William J. Luther & Lawrence H. White	<b>Can Bitcoin Become a Major Currency?</b> ( <i>Florida Atlantic University and George Mason University - Department of Economics,</i> <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2446604">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2446604</a> ),06/06/14	Secondary Data	A flexible supply and demand make the value of Bitcoin and unstable relative to established currencies but Bitcoin or other cryptocurrencies will continue to provide us with the opportunity to alternative payment system and the possible for non-state money.
7.	Florian Glaser,Kai Zimmermann, Martin Haferkorn, Moritz Christian Weber, Michael Siering	<b>Bitcoin-Asset or Currency? Revealing Users Hidden Intentions</b> ( <i>Karlsruhe Institute of Technology, Goethe University Frankfurt Faculty of Economics and Business Administration, European Securities and Markets Authority (ESMA)</i> )	Primary and Secondary Data & Statistical tools and techniques	1.Users buying Bitcoin for the first time are likely to use exchange wallet for speculation purposes and do not have the intention to use for paying Goods or Services. 2. Bitcoin is used as asset is also supported by the fact that Bitcoin returns react on news events related to this digital currency.
8.	David Yermack	<b>Bitcoin a real currency? An economic appraisal</b> ( <i>New York University (NYU) - Stern School of Business,</i> <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2361599">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2361599</a> ),01/04/14	Secondary Data	Bitcoin’s legitimacy as a currency should also hinge on its integration into the web of international payments and risk management transactions. Bitcoin imparts risk to any business that accepts it for transactions, just like all other currencies.
9.	J. Luther & Josiah Olson	<b>Bitcoin is Memory</b> ( <i>Florida Atlantic University and Kenyon College,</i> <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2275730">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2275730</a> ),09/06/13	Secondary Data	The Bitcoin is an example of such a technology. The Bitcoin protocol functions by providing a public record of past transactions.

10.	Reuben Grinberg	<p align="center"><b>Bitcoin: An Innovative Alternative Digital Currency</b> (<i>Hastings Science &amp; Technology Law Journal, Yale Law School,</i>  <a href="https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1817857">https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1817857</a>), 23/04/11</p>	Secondary Data	<p>Bitcoins is a significant player in the micro ,digital payment and virtual world commerce markets. Bitcoin is novel digital currency and it operates legal grey area.</p>
-----	-----------------	--	----------------	--

**Identification of the Research Gap**

It is clearly seen from the above literature review that although there are lots of international and national-level studies made on the growth and importance of usage of Cryptocurrencies and Bitcoins in India, but there is dearth of pin-pointed study on the users’ perception on the usage of Cryptocurrency and Bitcoins in India, and more particularly in West Bengal, pin-pointedly in the district of North 24 Parganas, where we reside. Therefore, we have undergone this particular study.

**Objectives of the present study**

In view of the above research gap identified, the following objectives were found pertinent for the study:

1. To have an overview of the Cryptocurrencies and Bitcoins in India.
2. To identify the related regulations for the usage of Cryptocurrencies and Bitcoins in India.
3. To conduct evidence based and participatory research for identifying the users’ perception on the usage of Cryptocurrencies and Bitcoins in my study area.

**Methodology for the Present Study**

**Data Source**

Quantitative Primary Data has been collected through filled-up structured questionnaires. The sample has been selected based on convenience sampling procedure, questionnaire being sent by email, due to lockdown. Necessary data support has also been taken from various secondary sources of information, relevant books, journals, periodicals and websites, wherever necessary.

**Method adopted for Sampling**

The sample was selected based on convenience sampling procedure, due to lockdown. The target group consisted of banking employees and professionals working in 5 banks in Barasat and Kolkata area. I approached everybody personally, interviewed them personally over phone, email and whatsapp and collected the data through the data filled in Structured Questionnaire

(presented as Appendix at the end of the Study Report).

**Period of Study**

The primary data survey has been undertaken over approximately 5 months of study beginning February 2022 to June 2022.

**Tools for Analysis**

For the purpose of convenience of analysis, the total analysis has been divided into five sections.

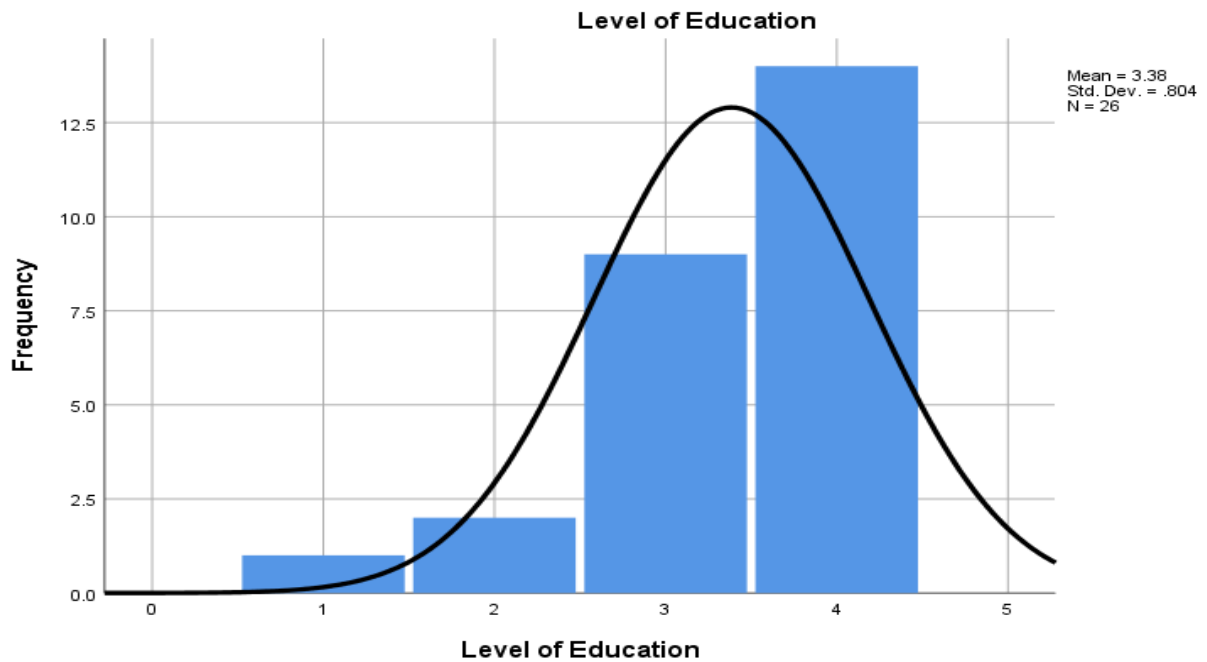
1. Section A analysed only the demographic variables using the data received from the respondents through fill-in structured questionnaires and the specific tools used here for analysis are mainly frequency distribution and frequency tables, prepared through SPSS 19
2. Section B analysed the variables arising out of the research-specific questions asked to the correspondents through structured questionnaires and the specific tools used here for analysis are mainly frequency distribution and frequency tables, prepared through SPSS 21.
3. Section C is used to test the hypothesis relating to the perception study of the investors’ behaviour with respect to short-term and long term investments and also the mode of their investment. Here, mainly Karl Pearson’s measure of correlation coefficient is used for the test of hypotheses 1 to 8, out of a total of 11 hypotheses, and such correlation coefficients are calculated through SPSS 26. [Has been discussed in Chapter – 4 of the present study]
4. Section D is a more specific and pin-pointed analysis which used two separate Exploratory Factor Analysis to identify the role of the different factors governing the corporate social responsibility, as identified by the perceived parameters came out of the collected data received from the filled-up questionnaires.

**Section - A**  
**PRIMARY DATA ANALYSIS**  
**with respect to Demographic Variables**  
Level of Education

The level of education of the respondents in the study were analyzed and presented through the following table and exhibit:

**Table-1: Level of Education**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	10th standard	1	3.8	3.8	3.8
	12th Standard	2	7.7	7.7	11.5
	Graduation	9	34.6	34.6	46.2
	Post-graduation	14	53.8	53.8	100.0
	<b>Total</b>	<b>26</b>	<b>100.0</b>	<b>100.0</b>	



**Exhibit 1: Level of Education**

From the above table & exhibit, it is clear that 53.8 % of the respondents are having post-graduation, 34.8% are Graduate, 7.7% passed

12<sup>th</sup> Standard and 3.8% completed 10<sup>th</sup>Standard. So, it is clear from the above data that *majority of the bitcoin users are post-graduates.*

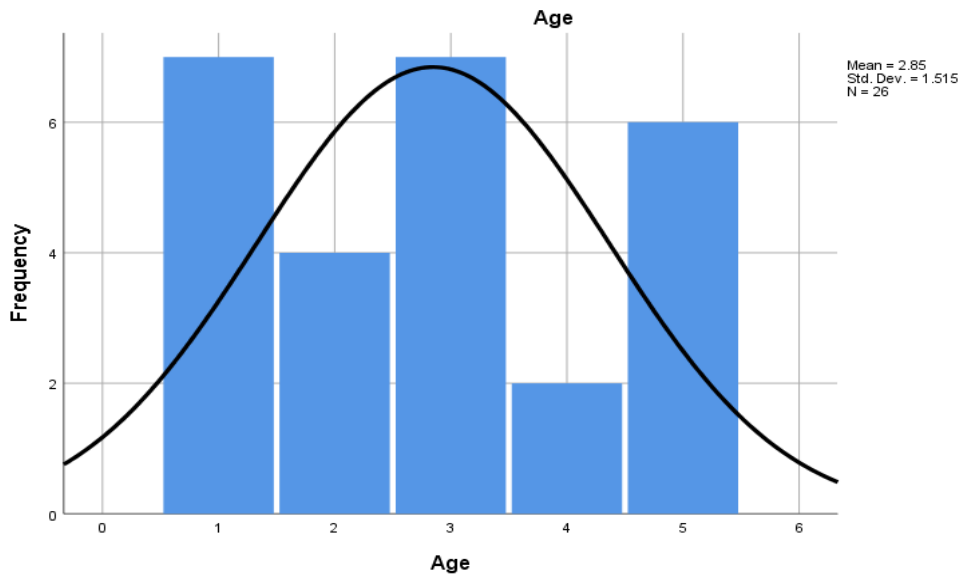
Age group

The age groups of the respondents in the study were analyzed and presented through the following table and exhibit:

**Table-2. : Age group**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	18-24	7	26.9	26.9	26.9
	25-34	4	15.4	15.4	42.3
	35-44	7	26.9	26.9	69.2
	45-54	2	7.7	7.7	76.9
	55-64	6	23.1	23.1	100.0
	<b>Total</b>	<b>26</b>	<b>100.0</b>	<b>100.0</b>	

Source: Primary Data compiled through SPSS 25



**Exhibit 2: Age group**

From the above table & exhibit, it is clear that 26.9 % of the respondents are within the age group 18-24 & 35-44, 23.1% are within 55-64 age group, 15.4% are within 25-34 age group and 7.7% into 45-54 age group. So, it is clear from the above data that *majority of the*

*bitcoin users are young individuals (i.e. less than 45 years old).*

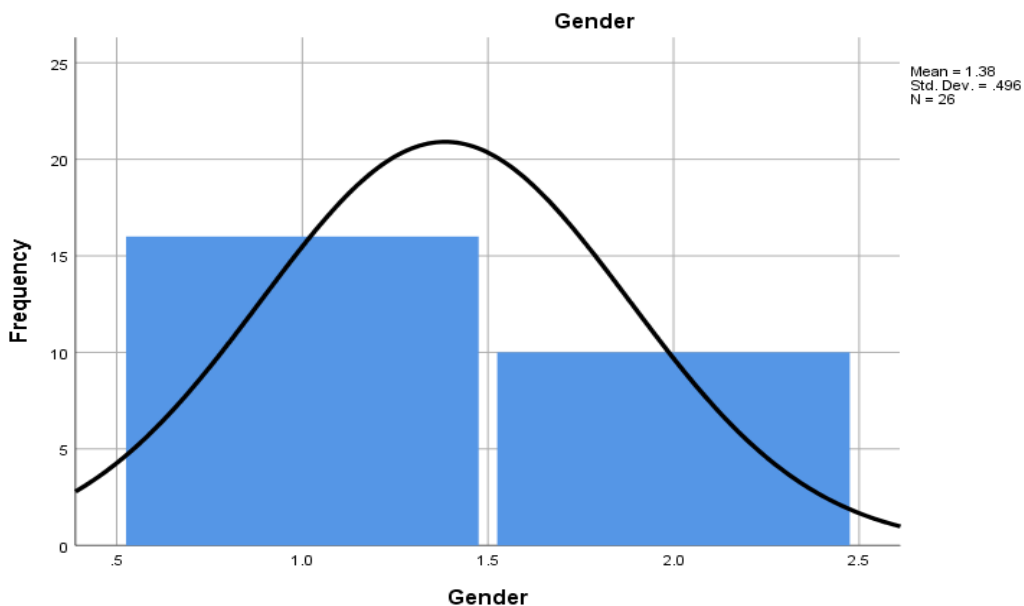
**Gender**

The gender of the respondents in the study were analyzed and presented through the following table and exhibit:

**Table – 3 : Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid male	16	61.5	61.5	61.5
female	10	38.5	38.5	100.0
<b>Total</b>	<b>26</b>	<b>100.0</b>	<b>100.0</b>	

*Source: Primary Data compiled through SPSS 25*



**Exhibit – 3: Gender**

From the above table & exhibit, it is clear that 61.5 % of the respondents are male, 38.5% are

female. So, it is clear from the above data that *majority of the bitcoin users are male.*

**Occupation**



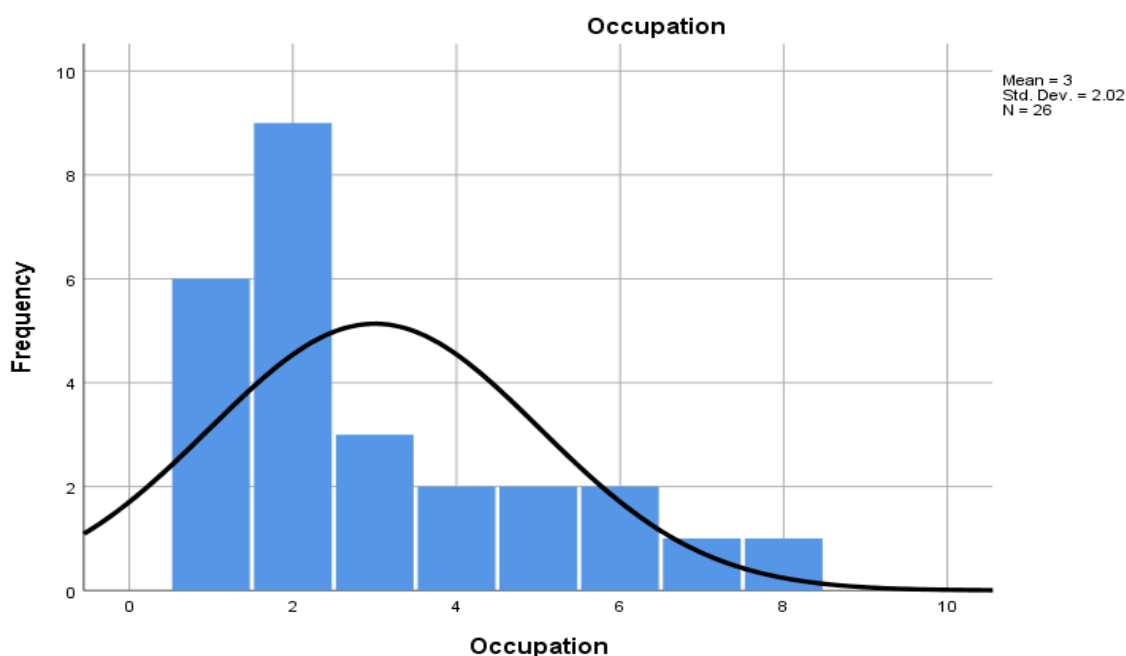
The occupation of the respondents in the study were analyzed and presented through the

following table and exhibit:

**Table 4 : Occupation**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Teaching	6	23.1	23.1	23.1
Accounting	9	34.6	34.6	57.7
Marketing	3	11.5	11.5	69.2
Student	2	7.7	7.7	76.9
Housewife	2	7.7	7.7	84.6
I.T.	2	7.7	7.7	92.3
Daily Labour	1	3.8	3.8	96.2
Research & Development	1	3.8	3.8	100.0
Total	26	100.0	100.0	

Source: Primary Data compiled through SPSS 25



**Exhibit 4 : Occupation**

From the above table & exhibit, it is clear that 34.6% of the respondents are having their carrier in accounting, 23.1% working in Teaching jobs, 11.5% working in Marketing jobs and 7.7% working in IT related jobs, 7.7% of the respondents are students, 7.7% of them are housewives, 3.8% work in Research & Development and 3.8% are daily labors. Therefore, it is clear from the above data that

majority of the bitcoin users are work in Accounting & Teaching departments.

**Section - B**

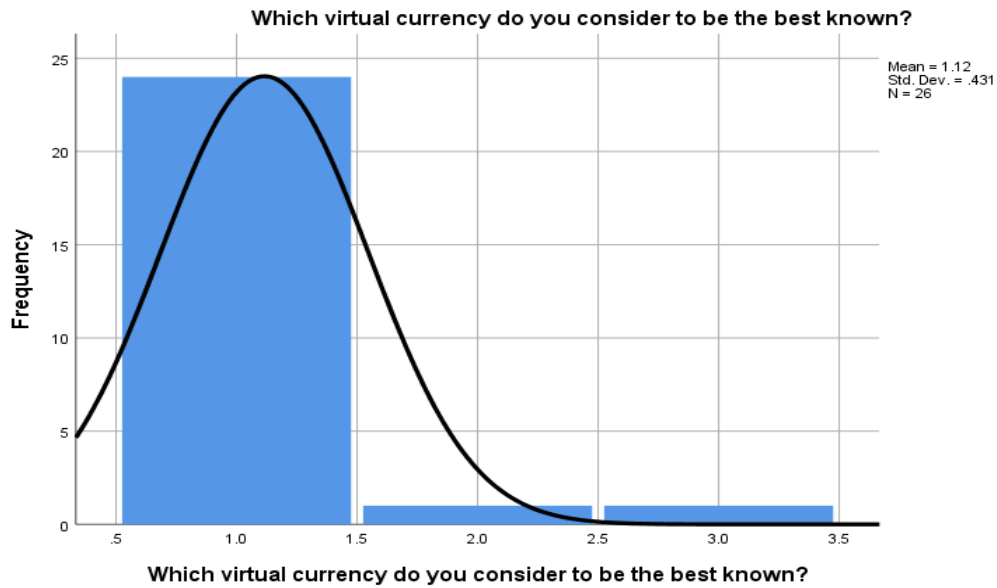
**PRIMARY DATA ANALYSIS**

**with respect to Specific Research Questions**  
**Which virtual currency do you consider to be the best known?**

The responses of the respondents regarding the virtual currency were analyzed and presented through the following table and exhibit:

**Table-5 : Which virtual currency do you consider to be the best known?**

	Frequency	Percent	Valid Percent	Cumulative Percent
Bitcoin	24	92.3	92.3	92.3
Lite Coin	1	3.8	3.8	96.2
Dash	1	3.8	3.8	100.0
<b>Total</b>	<b>26</b>	<b>100.0</b>	<b>100.0</b>	



**Exhibit – 5: Which virtual currency do you consider to be the best known?**

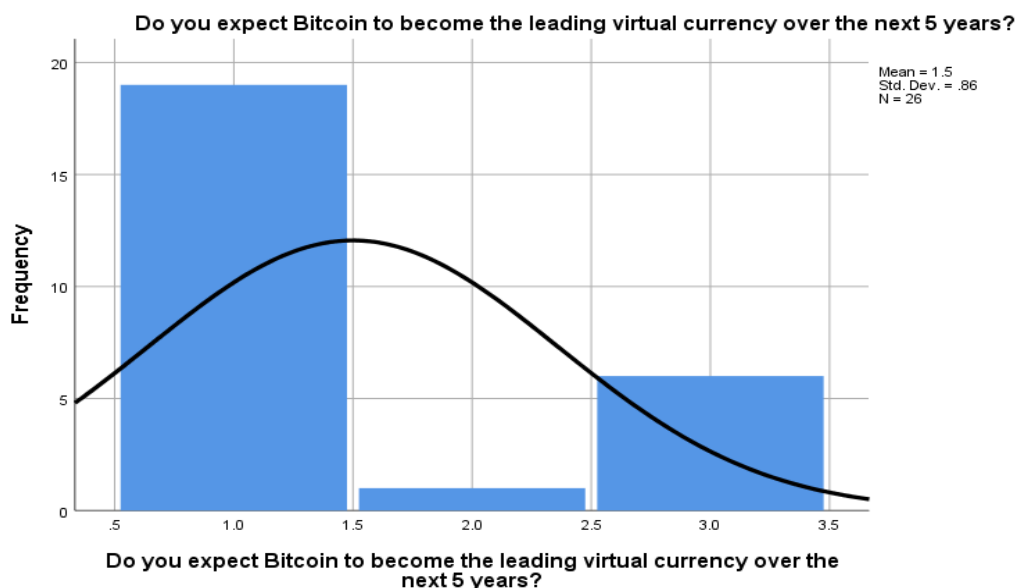
From the above table& exhibit, it is clear that 92.3% of the respondents are considering Bitcoin as the best virtual currency, 3.8% considered Lite Coin & Dash are best virtual currencies. So, it is clear from the above data that **majority of the respondents considered Bitcoin as the best virtual currency.**

**Do you expect Bitcoin to become the leading virtual currency over the next 5 years?**

The responses regarding the expectation that, Bitcoin to become the leading virtual currency over the next 5 years were analyzed and presented through the following table and exhibit:

**Table- 6: Do you expect Bitcoin to become the leading virtual currency over the next 5 years?**

		Frequency	Percent	Valid Percent	Cumulative
Valid	Yes	19	73.1	73.1	73.1
	No	1	3.8	3.8	76.9
	Don't know	6	23.1	23.1	100.0
	Total	26	100.0	100.0	



**Exhibit 6: Do you expect Bitcoin to become the leading virtual currency over the next 5 years?**

From the above table& exhibit, it is clear that 73.1% of the respondents considered Bitcoin as the leading virtual currency for the next 5

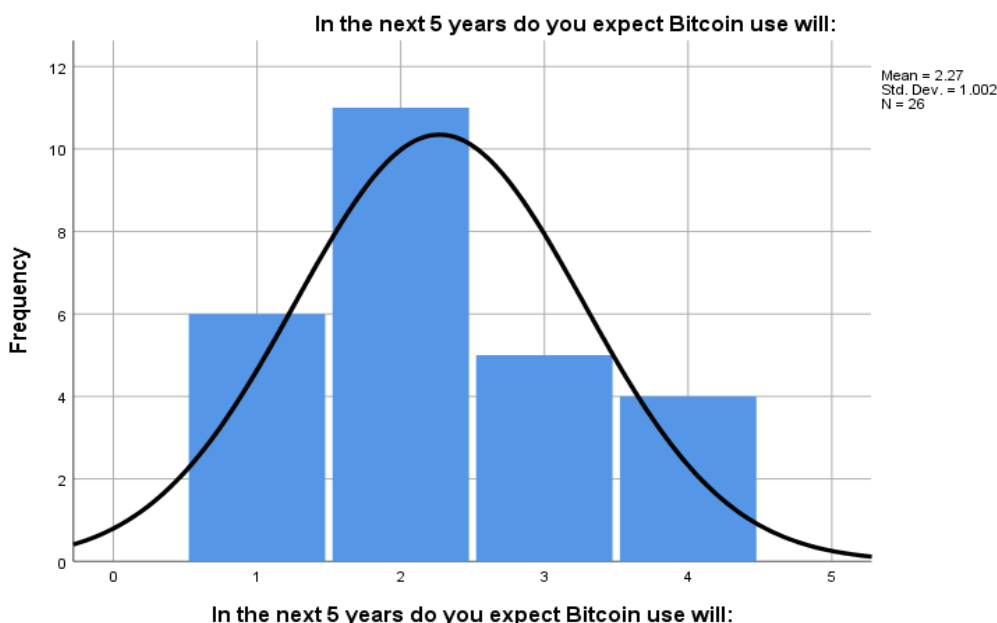
years, 3.8% not considered Bitcoin as the leading virtual currency for next 5 years, 23.1% said no comment. So, it is clear from the above data that majority of the respondents considered Bitcoin as the leading virtual currency for the next 5 years.

**In the next 5 years do you expect Bitcoin will be used?**

The responses regarding the expectation that, Bitcoins will be used in the next 5 years, were analyzed and presented through the following table and exhibit:

**Table- 7: In the next 5 years do you expect Bitcoin will be used?**

		Frequency	Percent	Valid Percent	Cumulative
Valid	Grow Substantially	6	23.1	23.1	23.1
	Grow in use	11	42.3	42.3	65.4
	Decline	5	19.2	19.2	84.6
	Close	4	15.4	15.4	100.0
	Total	26	100.0	100.0	



**Exhibit 7: In the next 5 years do you expect Bitcoin will be used?**

From the above table& exhibit, it is clear that 42.3% of the respondents are said that the usage of Bitcoin’s will grow in the next 5 years, 23.1% said the usage of Bitcoins will grow in substantially, 19.2 % said the usage of Bitcoin will decline, 15.4% said that the usage of Bitcoin will be closed in the next 5 years.

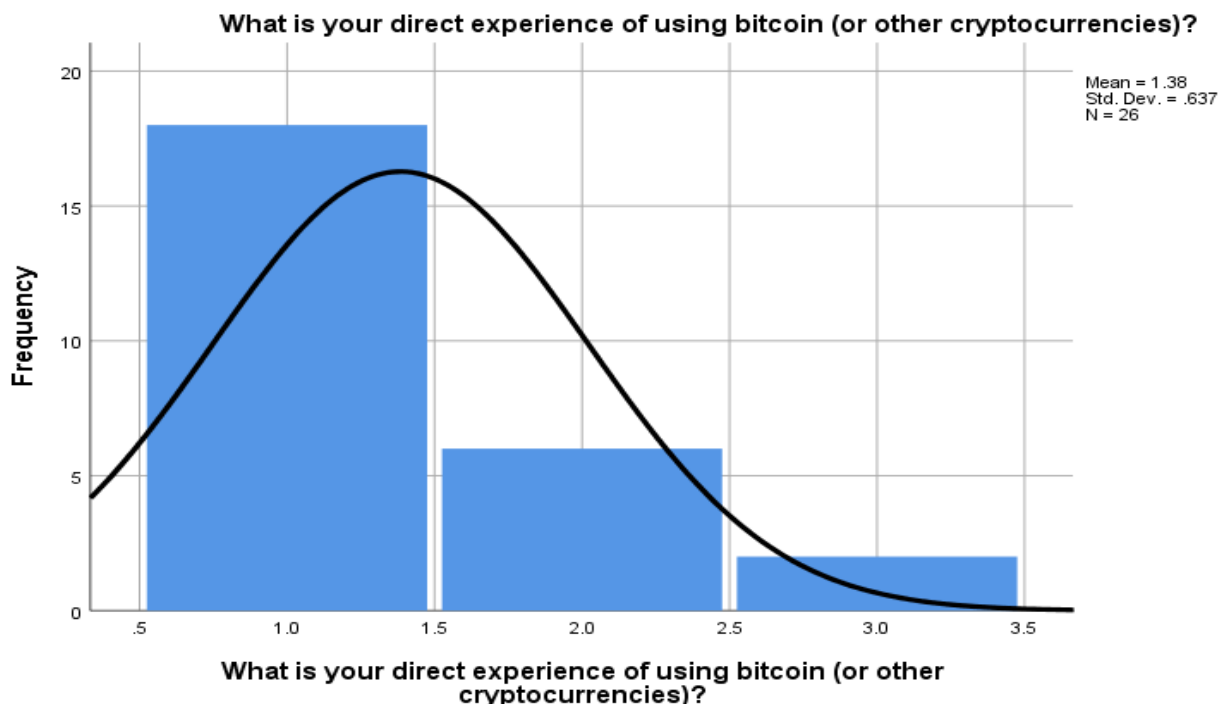
So, it is clear from the above data that majority of the respondents said that the usage of Bitcoins will grow at a faster rate.

**Direct experience of using bitcoin (or other cryptocurrencies)**

The direct experiences of using bitcoins (or other cryptocurrencies) of the respondents in the study were analyzed and presented through the following table and exhibit:

**Table – 8 : Direct experience of using bitcoin (or other cryptocurrencies)**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	No experience	18	69.2	69.2	69.2
	Small Experience	6	23.1	23.1	92.3
	Great Deal of Experience	2	7.7	7.7	100.0
	Total	26	100.0	100.0	



**Exhibit 8: Direct experience of using bitcoin (or other cryptocurrencies)**

From the above table & exhibit, it is clear that 69.2% of the respondents don't have direct experiences of using Bitcoins or other cryptocurrencies, 23.1 % have direct experience of using Bitcoins and other

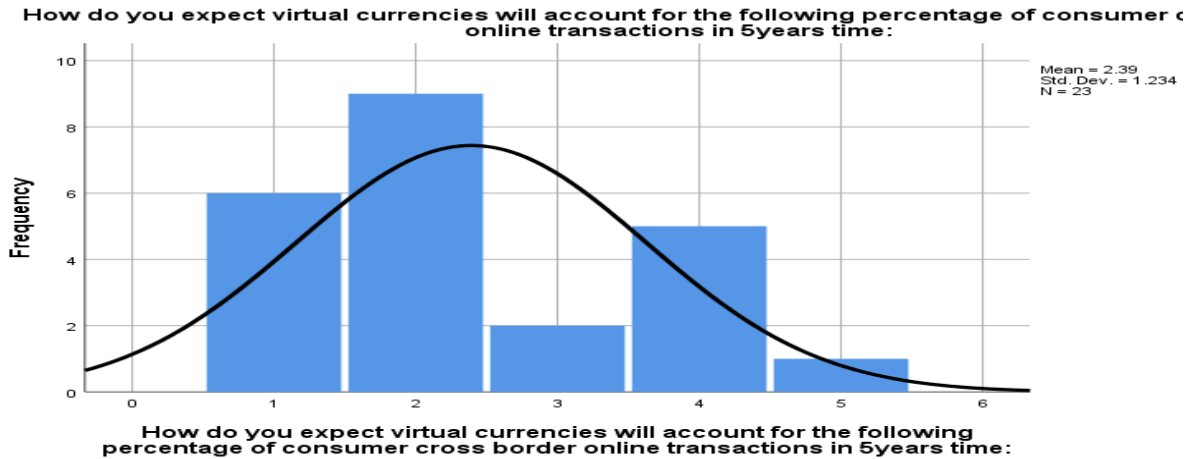
cryptocurrencies and 7.7% have great deal of experience of using Bitcoin and other cryptocurrencies. So, it is clear from the above data that **majority of the respondents don't have direct experiences of using Bitcoins and other cryptocurrencies.**

**Expect virtual currencies will account for the following percentage of consumer cross border online transactions in 5 years' time:**

The responses of the respondents regarding the virtual currencies were analyzed and presented through the following table and exhibit:

**Table – 9: Expect virtual currencies will account for the following percentage of consumer cross border online transactions in 5 years' time:**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Account for over 5 per cent of online cross-broader transaction	6	23.1	26.1	26.1
	0.1 - 0.5 per cent	9	34.6	39.1	65.2
	1 per cent - 2.5 per cent	2	7.7	8.7	73.9
	under 0.1 per cent	5	19.2	21.7	95.7
	2.5 per cent - 5 per cent	1	3.8	4.3	100.0
	Total	23	88.5	100.0	
Missing	System	3	11.5		
Total		26	100.0		



**Exhibit 9: Expect virtual currencies will account for the following percentage of consumer cross border online transactions in 5 years' time**

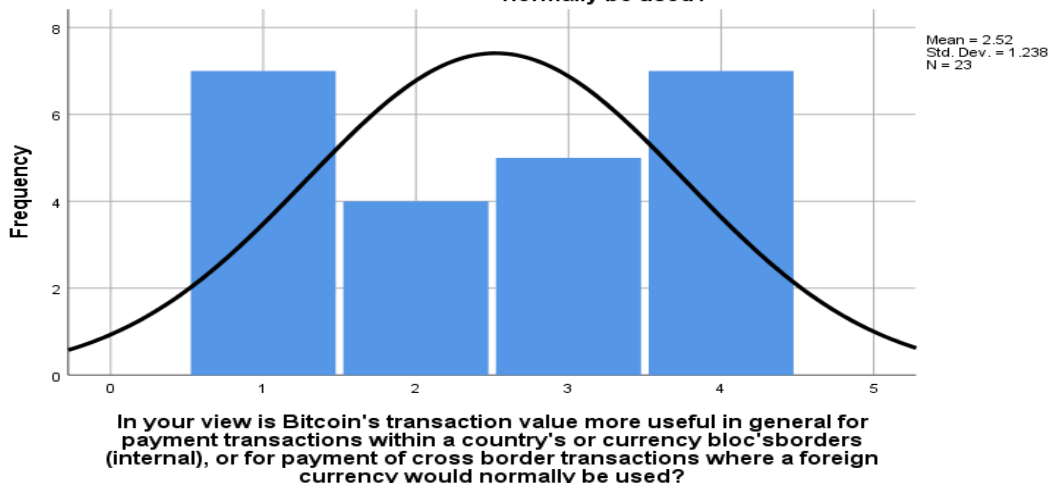
From the above table & exhibit, it is clear that 34.5% of the respondents expect virtual currencies account 0.1 to 0.5 per cent of consumer cross border online transaction, 23.1 % expect virtual currencies account for over 5% per cent of consumer cross border online transaction, 19.2% expect virtual currencies account under 0.1%of consumer cross border online transaction, 7.7% expect virtual currencies account 1 to 2.5 per cent of consumer cross border online transaction, 3.8% expect virtual currencies account 2.5 to 5

per cent of consumer cross border through online transaction next 5 years. So, it is clear from the above data that **majority of the respondents expect virtual currencies account not much consumer cross border online transactions for the next 5 years.**

**View Bitcoin's transaction value more useful in general for payment transactions within a country's or currency bloc's borders (internal), or for payment of cross border transactions where a foreign currency would normally be used:**

The responses of the respondents regarding the virtual currencies were analyzed and presented through the following table and exhibit:

**In your view is Bitcoin's transaction value more useful in general for payment transactions within a country's or currency bloc's borders (internal), or for payment of cross border transactions where a foreign currency would normally be used?**



**Exhibit 10: View Bitcoin's transaction value more useful in general for payment transactions within a country's or currency bloc's borders (internal), or for payment of cross border transactions where a foreign currency would normally be used**

From the above table & exhibit, it is clear that 26.9% of the respondents thinks Bitcoin transactions value more useful in external use, 15.4% thinks that Bitcoin transactions value more useful in internal use, 19.2% thinks that Bitcoin transactions value useful in both

external and internal. So, it is clear from the above data that *majority of the respondents thinks that Bitcoin transactions value is more valuable in external use.*

#### Research Findings:

1. Majority of the users are post graduates, male, young age people ( i.e. less than 45 years ) in general.
2. Majority of the users are from teaching and accounting profession.
3. Majority of the users( i.e. 92.3 %) are well known about bitcoins in between virtual currencies.
4. Majority of the users ( i.e. 73.1%) consider bitcoins as the leading virtual currency over the next 5 years.
5. Majority of the users (i.e. 42.3%) agreed that usage of bitcoins will grow at a faster rate in the next five years.
6. Majority of the users (i.e. 69.2%) don't have direct experience in using bitcoins and other cryptocurrencies.
7. Majority of the users expect digital currencies account (i.e. 0.1 – 0.5%) consumer cross border online transaction in the next 5 year's time.
8. Majority of the users ( i.e.30.4 %) bitcoins transaction value is more valuable externally.

#### Conclusion & Recommendation

The cryptocurrencies and bitcoins are emerging issues in the Indian financial system. It is quite possible that shortly, the bitcoins might have a way for cryptocurrencies to flourish in the future. According to the best of my knowledge I can conclude that, though bitcoins exist in the market with extreme volatility still projected to grow positive in upcoming years as it's main blockchain was to help humans regain financial freedom, privacy and security which more or less go tie with my research findings where most of my respondent are not only well known about it's usage but also consider it as a fast growing digital currency in upcoming years though at the same time not able to confirm it's accountability regarding cross border online transaction. As per Union Budget 2022, the

RBI holds the ultimate power to issue digital currency which according to me some concession in form of relief must be provided to others.

#### References

1. *Bitcoin:-A Theoretical Analysis of Money Choice*, [www.pugetsound.edudate](http://www.pugetsound.edudate):
2. *Perspective on Bitcoins (PHD Research Bureau, Phd Chamber Of Commerce And Industry)* [www.phdcci.indate](http://www.phdcci.indate)
3. *Scope for Bitcoins in India (Shailak Jani, Parul University, www.researchgate.net/publication/321780780*
4. *A Conceptual Study on the Impact of Bitcoin On the India Economy (author:- Girisha M.C, Government College, Mandya, Karnataka)www.researchgate.net/publication/330505492*
5. Paramasivan. C (2011), [Customer Satisfaction through Information Technology in commercial banks](http://www.researchgate.net/publication/330505492), *Journal of Commerce and Management Thought*, Vol.2, Issue 4, October, pp 509-522.
6. <https://cis-india.org/internet-governance/blog/cryptocurrency-regulation-in-india-2013-a-brief-history>
7. <https://www.financialexpress.com/market/bitcoin-boom-the-rise-of-cryptocurrencies-and-indian-crypto-exchanges/2165774/>
8. *A History of Bitcoin (Usman W Chohan)* [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=3047875](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=3047875),
9. *Can Bitcoin Become a Viable Alternative to Fiat Currencies? An empirical analysis of Bitcoin's volatility based on a GARCH model.* [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2961405](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2961405)
10. *Bitcoin is Memory* , J. Luther & Josiah Olson, [https://papers.ssrn.com/sol3/paper.cfm?abstract\\_id=2275730](https://papers.ssrn.com/sol3/paper.cfm?abstract_id=2275730)
11. *Bitcoin a real currency? An economic appraisal*, David Yermack [https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2361599](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2361599)

Available online @ [www.iaraindia.com](http://www.iaraindia.com)  
 RESEARCH EXPLORER-A Blind Review & Refereed Quarterly International Journal  
 ISSN: 2250-1940 (P) 2349-1647 (O)  
 Impact Factor: 3.655(CIF), 2.78(IRJIF), 2.77(NAAS)  
 Volume XI, Issue 38  
 July - December 2023  
 Formally UGC Approved Journal (63185), © Author

## **A STUDY OF INVESTOR'S INVESTMENT PREFERENCES BEFORE AND AFTER COVID-19 PANDEMIC**

**Dr. ANURODH GODHA**

Assistant Professor, Vardhaman Mahaveer Open University, Kota, Rajasthan

**PRAGYA BHARGAVA**

Ph.D. Research Scholar, Vardhaman Mahaveer Open University, Kota, Rajasthan

### *Abstract*

*In March 2020 India was hit by COVID 19 pandemic. Every sector was affected and it had a great impact across the world. To understand how Covid-19 pandemic has affected the pattern of investment of individual investors in developing country like India. The investing patterns and behaviours of the citizens of Kota City serve as the foundation for this study work. The present research aims to determine the pre- and post-pandemic effects on investors' investment behaviour in Kota City, Rajasthan. Primary and secondary data have been gathered for this investigation. Using a standardized questionnaire, more than 180 individuals provided primary data. Multiple research papers, internet sites, and publications were used to gather secondary data. It is discovered that there is significance difference in the investor's preference before and after COVID-19.*

**Keywords:** *Individual Investors, Investment Behaviour, Investment Preferences, Covid-19 pandemic.*

### **Introduction**

Investment and savings are essential to the country's economic growth. As a result, the government's principal goal is to mobilize individual savings by promoting appealing investment opportunities. Many investment opportunities are accessible in India, including bank deposits, PPF, post office, mutual funds, stock market, real estate, and precious metals. Based on their risk tolerance, all investors invest their excess funds in the aforementioned routes.

The COVID-19 epidemic has a negative impact on every country's economy, including India's. Every element of human life has been impacted by the COVID-19 epidemic. The influence is, however, taken into account differently depending on a person's status as a member of society. India reported its first corona case on January 30, 2020, in the

Keralan towns of Thrissur, Alappuzha, and Kasargod. (The Hindu)

On March 25, 2020, the government declared a national lockdown. The lockdown was initially declared by the government for only 21 days, but as the number of confirmed cases of the corona virus rises, the lockdown was extended in stages with varying restrictions.

The authorities also divided different towns and cities into red, orange, and green zones during this lockdown period based on the quantity of positive COVID-19 instances. (the BBC News)

Most people lost their employment and savings as a consequence of the COVID-19 pandemic and government limitations (ILO-OECD, 2020). The primary objective of this study is to examine investor investment preferences pre and post Covid-19 pandemic.

### Literature Review

Khanna, A., & Singh, H. K. (2022). To understand the effects of the Covid-19 epidemic on private investment choices made by investors in developing countries such as India. The transmission of Covid-19 had a strong correlation with personal income, which had an impact on people's saving and investment habits in the post-pandemic period. Additionally, a decline in SIP investments was seen during Covid-19.

Sharma, R., Rani, N., & Bansal, (2022). The study wants to know how the COVID-19 pandemic has impacted individual investors' choices about SIP investment opportunities. Individual financial transaction data has been gathered using the sample survey approach. The study's focus was a small town in UP, India. The quantity of investment made by investors before and during COVID-19 differs significantly, according to this study's findings. The amount invested may be affected by a number of factors, including wage reduction, uncertainty about future income, India's slowing economy, and excessive inflation.

Jain, A., & Sanchawat, (2020). The primary goal of the research is to determine the overall change in investor preferences about investment in pre and post covid-19. This study is being undertaken to learn about the behaviour of investors in the pre and post covid 19. I had collected data from 136 investors via questionnaire and analysed the results. I discovered that as the market becomes more uncertain, investors' investment choices move from mutual funds to fixed deposits.

Kalpna Naidu. C and Paramasivan. C (2015) explain Indian financial system is highly influence with the banking and insurance sector which attracts flow of savings and investments to the country. Insurance sector in India is one of the growing sectors of the economy. It has been mobilizing long-term saving through life insurance to support economic growth and also facilitating economic development and additionally, a decline in SIP investments was seen during Covid-19.

Khan et al (2020). This study paper's primary goal is to examine and evaluate investor choice levels for various types of assets, including gold, stocks, and real estate, both before and after the COVID-19

pandemic. The research's purview was restricted to Mumbai. Investor tastes for real estate have been significantly impacted by COVID-19, but investor tastes for gold and stock have not been much impacted. Qualification and income have also had a big impact on certain investment avenues.

Shukla, J. V., & Kediya, S. (2022). The purpose of this study is to ascertain how the pandemic has affected inhabitants of Nagpur City's investing behaviour. Primary and secondary data were gathered for this investigation. A systematic questionnaire was used to obtain primary data from more than 180 respondents. Individual investors' investment behaviour has altered as a consequence of the impact of COVID-19 and government regulations. The study also discovered the characteristics that influence investment decisions, such as the investors' income level, risk and return proportion, and market experience.

Ashish, V., & Fazalbhoy, S. (2022). The impact of COVID-19 on undergraduate students' investment knowledge and behaviour toward cryptocurrencies and the stock market is the subject of this researcher's study. Data needed for the study's analysis were gathered via a self-administered questionnaire. Numerous university students at the UG level received the questionnaires. 142 student replies were used as the study's sample size. It is very clear that following the epidemic, internet resources for investment education exploded, greatly contributing to the promotion of sound investment practises throughout the period.

Siddiqui et al (2022). This study attempts to understand how retail traders' investing preferences and financial judgments have been impacted by the Covid-19 pandemic. This study also looks at how the Covid-19 lockout affected customer purchasing behaviour. In order to determine how the pandemic affected specific investment decisions made in Lucknow, a standardized questionnaire was used to conduct a sample poll. The study's conclusions show how people's purchasing and decision-making processes have been significantly impacted by their apprehension of the epidemic and the government lockdown. The report also demonstrates that consumers' buying choices have shifted in favour of needs and healthier products.



**Research Objective**

1. To determine whether investors are making investments during the COVID-19 pandemic
2. To ascertain if the COVID 19 pandemic affected investors' choices for investment opportunities differently before and after.

**Research Methodology**

The main and secondary data used in the study are both sources. To collect primary data, an organized survey was employed. The convenience sample approach was used to choose more than 200 respondents from Kota city. Individual investor was categorized on the basis of demographics, investment objectives and Investment avenues. Through a variety of publications, internet sites, and academic papers, secondary data was gathered. The SPSS (version 20) has been employed to investigate the data, average and percentage analyses have been used to examine the gathered data.

**Data Analysis and Interpretation**

Descriptive Analysis

**1. Age**

*Kindly Specify Your Age*

	Frequency	Percent	Valid Percent	Cumulative Percent
1	55	27.6	27.6	27.6
2	36	18.1	18.1	45.7
3	59	29.6	29.6	75.4
4	49	24.6	24.6	100.0
Total	199	100.0	100.0	

The above output shows that there is normal distribution of participants based on age. Maximum participants around 29.6% belong between 41 and 50 years. However, 27.6% participants are also belonging to below 30 years age.

**2. Gender**

*Gender*

	Frequency	Percent	Valid Percent	Cumulative Percent
1	150	75.4	75.4	75.4
2	49	24.6	24.6	100.0
Total	199	100.0	100.0	

The above output shows that majority of the participants are male. Hence, the output will be applicable on male participants.

**3. Percentage of annual income invest by participants**

*What percentage of your annual income do you invest?*

	Frequency	Percent	Valid Percent	Cumulative Percent
1	75	37.7	37.7	37.7
2	63	31.7	31.7	69.3
3	37	18.6	18.6	87.9
4	10	5.0	5.0	93.0
5	14	7.0	7.0	100.0
Total	199	100.0	100.0	

Around 69.4% participants invest between 10% and 20% their annual income in investment. There are few participants around 5%, who invests between 30% and 40% of their income on investment.

**4. Source of motivation**

*Source of Motivation for Investment*

	Frequency	Percent	Valid Percent	Cumulative Percent
1	60	30.2	30.2	30.2
2	17	8.5	8.5	38.7
3	2	1.0	1.0	39.7
4	15	7.5	7.5	47.2
5	105	52.8	52.8	100.0
Total	199	100.0	100.0	

The above output shows that for 52.8% participants, main source of motivation for investment is combination of parents, spouse and so on. On the other hand, 30.2% participants were found to be self-motivated towards investment.

**5. Whether investment preference changed after COVID-19.**

*Is your investment preference changed after COVID-19 pandemic?*

	Frequency	Percent	Valid Percent	Cumulative Percent
1	145	72.9	72.9	72.9
2	54	27.1	27.1	100.0
Total	199	100.0	100.0	

Based on above output, majority of the participants around 72.9% have accepted their preference towards investment has changed. On the other hand, only 27.1% investors have disagreed upon changing preference towards investment after COVID-19 pandemic.

**Paired Samples Test**

	Paired Differences					Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference		
				Lower	Upper	
Pair 1	-.055	.780	.055	-.164	.054	.319
Pair 2	-.508	1.614	.114	-.733	-.282	.000
Pair 3	-1.161	1.575	.112	-1.381	-.941	.000
Pair 4	.055	2.058	.146	-.232	.343	.705
Pair 5	-.095	1.416	.100	-.293	.103	.343
Pair 6	.503	1.442	.102	.301	.704	.000
Pair 7	-1.518	1.792	.127	-1.768	-1.267	.000
Pair 8	-.894	1.148	.081	-1.055	-.734	.000
Pair 9	-.779	1.508	.107	-.990	-.568	.000
Pair 10	-1.643	1.654	.117	-1.874	-1.412	.000
Pair 11	-1.623	1.335	.095	-1.810	-1.437	.000
Pair 12	-.809	1.926	.137	-1.078	-.540	.000
Pair 13	-1.407	1.694	.120	-1.644	-1.170	.000
Pair 14	-.337	1.074	.076	-.487	-.187	.000

The above result has shown that except pair 1, 4 and 5, all pairs have shown significance difference at 5% level. Pair 1 indicates participants preference towards Bank Deposit Schemes; Pair 4 indicates preference towards Government Securities; and Pair 5 reflects preference towards Mutual Funds of the participants. Hence, it can be interpreted that there is no significance difference in participants choice towards secured investment. On the other hand, significance difference has been observed for risky investments. Majority of the mean value has shown negative values. This signifies that mean after COVID-19 is higher than before COVID-19 mean. Hence, it can also be interpreted that risky investments were ranked higher before COVID-19 as compared to after COVID-19.

**Conclusion**

From the above analysis, it can be concluded that there is significance difference in the preference of investors after COVID-19. Further analysis shows that mean after COVID-19 has increased as compared to before COVID-19. This indicates that investors have given high preference to the risky investment options as compared to after COVID-19. From this, it can be commented

that before COVID-19, investors were have good financial condition. As a result of which, they were able to take high risk as compared to after COVID-19.

**References**

1. Ashish, V., &Fazalbhoj, S. (2022). *Impact of COVID-19 on Investment Education and Behavior in Cryptocurrency and Stock Market: A Study of Indian Undergraduate Students. Annual Research Journal of SCMS, Pune, 10, 59-79.*
2. Chandrakumar, K. *Investors Preference towards Various Investments Avenues in Namakkal District.*
3. Jain, A., &Sanchawat, M. *A Study On Overall Change In Investment Pattern Lead By COVID-19.*
4. Kalpana Naidu. C and Paramasivan. C (2015 ),*A Comparative Study Of Public & Private Life Insurance Companies In India, International Journal of Multidisciplinary Research Review, Vol.1, Issue – 7, Sep -2015. Page- 15-18*
5. Khan, S., Upadhyaya, C., Gautam, S., & Natu, P. (2020). *A study on the impact of covid-19 on the investment pattern of investors with specific reference to*

- traditional investment (real estate and gold) and market based financial products (equities) in Mumbai. European Journal of Molecular & Clinical Medicine, 7(11), 2020.*
6. Khanna, A., & Singh, H. K.(2022) *Pattern of Investment Behavior of Indian Investors Amid COVID-19: An Empirical Assessment. Caravéti, 81.*
  7. Sharma, R., Rani, N., & Bansal, D. *COVID-19's Effects on The Adoption of Investment Alternatives By Individuals.*
  8. Shukla, J. V., &Kediya, S. *Analysis Of Investment Behavior Of Investors In Nagpur City-Study On Pre And Post Covid Pandemic. Age, 30(36), 20.*
  9. Shukla, J. V., &Kediya, S. *Analysis Of Investment Behavior Of Investors In Nagpur City-Study On Pre And Post Covid Pandemic. Age, 30(36), 20.*
  10. Siddiqui, F., Raghuvanshi, A., Anant, S., & Kumar, S. (2022). *Impact Of The Covid-19 On The Spending Pattern And Investment Behaviour Of Retail InvestorS. Indian Journal of Finance and Banking, 10(1), 31-40.*

Available online @ [www.iaraindia.com](http://www.iaraindia.com)  
RESEARCH EXPLORER-A Blind Review & Refereed Quarterly International Journal

ISSN: 2250-1940 (P) 2349-1647 (O)

Impact Factor: 3.655(CIF), 2.78(IRJIF), 2.77(NAAS)

Volume XI, Issue 38

July - December 2023

Formally UGC Approved Journal (63185), © Author

## IMPACT OF PRNAYAMA PRACTICES MENTAL HEALTH OF COLLEGE LEVEL MEN STUDENTS

**M. BASTIN RANJITH**

Ph.D. Scholar

**Dr. D. RAJALAKSHMI**

Associate Professor

Alagappa University College of Physical Education, Alagappa University, Karaikudi

### *Abstract*

*The purpose of the study was to find the impact of pranayama practices on mental health of college level men students. For these purpose 30 men students from Bharathidasan University, Tiruchirapalli in the age group of 21 to 25 years were selected at randomly. They were divided into two groups, group I was treated as, experimental group and group II was treated as control group. Experimental group was given six weeks pranayama practice and the control group was not given any treatment. Mental health was selected as variable and it was assessed through Peter Becker Questionnaire. The data were collected before and after the training period and collected data was computed by dependent 't' test in all cases level of significance was fixed at 0.05 level. The result concluded that there was significant improvement on mental health due to the influence of pranayama practices than the control group among college students.*

**Keywords:** Yoga, Pranayama, Mental Health, Enlightenment, Supernatural Powers.

### **Introduction**

Yoga to be associated with the acquisition and exhibition of supernatural powers, requiring complete discipline of the mind and the body. He has further explained the word 'Yoga' as the noun form derived from the basis 'Yuj', acceptance 'to unity' or 'to connect'. Yoga has its own technology and also scientific basis. It is an 'art' which aspires to broaden one's perspective and insight to achieve a state of personal enlightenment. The prescribed practices and procedures of yoga, cater to the needs of its adherents under varied conditions to lead a way of life and attenuate the obstacles in acquiring the state of "Enlightenment". Yoga is also a method of self-realization, which begins with the

perfection of one's physical-self and aspires to achieve a state of self-consciousness.

'Yogic Breathing' is an equivalent of the Sanskrit word 'Pranayama', which seems to have come to enjoy a very important place in yoga literature. The word 'Prana' is perhaps as old as the word 'Yoga' itself, but the elaborate technique concerning its control, which forms a part of the eight fold system of yoga, seems to be of a later origin. Yogic breathing has often been very highly talked about and the marvellous phenomena, which are supposed to take place as a result of its intense and prolonged practice, have been acknowledged at several places in the yoga texts.

Pranayama is a set of breathing techniques in the practice of yoga that involves the regulation of breath through certain

techniques and exercises. Pranayama the fourth component of the eightfold Path Yoga is the control of 'Vital Force' or 'Cosmic energy' by concentration and regulated breathing. It also signifies life or breath. Yoga as recognized vital philosophy, commands belief and is one of the first systematic expressions of the metaphysical endeavors of our ancestors. It is a system, which owes its inheritance to the ancient Indians. It indicates a 'Life Style', aimed towards the training of the physical, mental and emotional aspects of its adherents. As indicated by Swami Kunalayanandaji has a complete message for mankind. It has a message for the human body. It has a message for the human personality, and it likewise a message for the human soul. These techniques are believed to have numerous physical and mental health benefits. Here are some common pranayama practices:

#### **Anulom Vilom (Alternate Nostril Breathing):**

- Sit in a comfortable position.
- Close your right nostril with your right thumb and inhale deeply through your left nostril.
- Close your left nostril with your right ring finger, release your right nostril, and exhale.
- Inhale through the right nostril, close it with the thumb, release the left nostril, and exhale.
- Repeat this cycle.

#### **Ujjayi Pranayama (Ocean Breath):**

- Inhale slowly through your nose, filling your lungs.
- Constrict the back of your throat slightly, producing a soft sound like the ocean.
- Exhale slowly and audibly through your nose.
- This can be done in combination with yoga asanas.

#### **Bhramari Pranayama (Bee Breath):**

- Sit comfortably and close your eyes.
- Inhale deeply through your nostrils.
- Exhale slowly, making a humming sound like a bee.
- Repeat several times, focusing on the sound and the vibration.

#### **Kapalbhati Pranayama (Skull Shining Breath):**

- Sit comfortably with a straight spine.
- Inhale deeply, and then exhale forcefully by contracting your abdominal muscles.

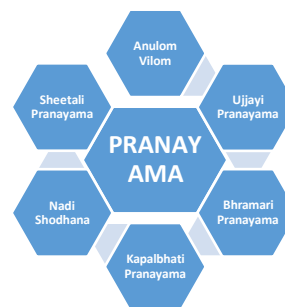
- Inhalation should happen naturally as your abdomen relaxes.
- Focus on the exhalation, keeping the inhalation passive.

#### **Nadi Shodhana (Alternate Nostril Breathing for Balancing):**

- Sit comfortably with a straight spine.
- Using the right thumb, close the right nostril and inhale through the left nostril.
- Close the left nostril with the ring finger, release the right nostril, and exhale.
- Inhale through the right nostril, close it, release the left nostril, and exhale.
- This completes one round.

#### **Sheetali Pranayama (Cooling Breath):**

- Roll your tongue into a tube or purse your lips.
- Inhale slowly and deeply through your tongue or pursed lips.
- Close your mouth and exhale through your nose.
- This has a cooling and calming effect.



Before starting pranayama practices, it's essential to learn them from a qualified yoga instructor, especially if you are a beginner. These practices can have profound effects on the body and mind, and practicing them correctly is crucial for reaping their benefits while minimizing the risk of injury. If you have any health concerns or conditions, consult with a healthcare professional before starting pranayama or any new exercise regimen.

#### **Mental Health**

In the galaxy of scientific knowledge the term 'Mental Health' always forms a pair with another term popularly known as 'Mental Hygiene'. However, these two terms are not synonymous. As a matter of fact, mental hygiene is a science having three-fold objectives namely Prevention of mental disorders, preservation and promotion of mental health and correction of mal-adjustments. And that is why probably mental

hygiene as a science got special privilege in the objectives of the WHO. So far as mental health is concerned, therefore, it has been accepted as a subject matter of mental hygiene because in the interest of a given nation or broadly speaking 1 the human race it is to be protected, promoted prevented from. Mental disorders and corrected if some wrong takes place with it in the case of a given individual who happens to be a valuable member of a given society.

**Methodology**

To find out the Intervention of pranayama practices on mental health of college level men students, 30men students from Bharathidasan University, Tiruchirapalli in the age group of 21to 25 years were selected at randomly. They were divided into two groups, group I was treated as, experimental

group and group II was treated as control group. Experimental group was given six weeks pranayama practice and the control group was not given any treatment. The following pranayama was administered during the training period Nadisuddhi, Bhasrika, Bhramari, sitaliandKapalbhati pranayama. Mental Health was selected as variable and it was assessed through Peter Becker Questionnaire. The data were collected before and after the training period and collected data was computed by dependent ‘t’ test in all cases level of significance was fixed at 0.05 level.

**Result of Mental Health among College Men Students**

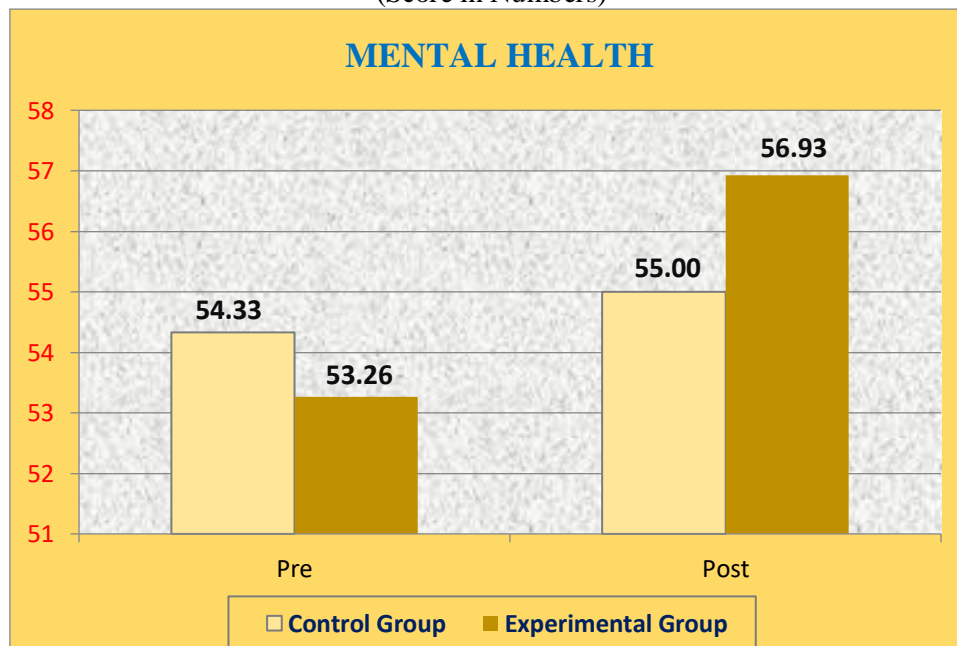
The analysis of mental health among College men students pre-test and post test data are calculated by dependent ‘t’ test.

**Table – I**  
**Dependent ‘T’- Ratio For College Men Students On Mental Health (Scores in Numbers)**

S.No	Group	Mean		Standard Deviation		df	Obtained t value	Table t value
		Pre	Post	Pre	Post			
1	Control Group	54.33	55.00	2.82	2.23	14	1.58	2.14
2	Experimental group	53.26	56.93	4.7	3.59	14	4.20*	

**Figure – 1**

**The Bar Diagram Shows In The Result Of Pre And Post Mean Of The Mental Health Among College Men Students (Score in Numbers)**



Degree of freedom=  $(N - 1) = 39$ .  
 \*Significant at 0.05 level of confidence. Table value at 0.05 level = 2.14

**Table I** shows that the mean value of pre and post-test means were 54.33 and 55.00 of control group. The obtain t-ratio 1.58 was not significant and this was lesser than the table t-value of 2.14.

**Table I** shows that the mean value of pre and post-test mean were 53.26 and 56.93 of experimental group. The obtain 4.20 was significant and this was higher than the t-value of 2.14.

The result indicated that the yoga practice had made a significant improvement on mental health.

### Conclusion

The result presented in the table I concluded that there was significant improvement on mental health in the experimental group due to the influence of pranayama practices than the control group among college men students.

### References

1. Akbar Hussian., *Self Concept of Physically Challenged Adolescents*, *Journal of the Indian Academy of Applied Psychology*, (2006).
2. Arunkumar & Akhileshwar (2009-10) *The impact of nada yoga on hypertension & anxiety level*, *Morarjidesai National Institute of Yoga, Yoga Vijnana. The science of yoga, Volume III, 2009-10, pp 55-59.*
3. Jeyaveerapandian, T.,(2015) *A study on outcome between physical exercises and yogic exercises on selected physical and physiological variables during off-season among the sports participants*, *Unpublished thesis submitted to Bharathidasan University, Tiruchirappalli*
4. Paramasivan. C (2015), *Conventional Methods of Training to Teacher and Its Impact In Higher Education*, *Advanced Scientific Research &Development (IJASRD), Volume 02, Issue 04 (Oct – Dec'2015) | PP 01 – 09*
5. Shenbagavalli, A, and Raj Kumar, M. (2017) *Effect of pranayama on selected physiological variables among men volleyball players*. *Indian journal for research in physical education and sports sciences (IJRPES) 24-27 April - September 2017.*

Available online @ [www.iaraindia.com](http://www.iaraindia.com)  
RESEARCH EXPLORER-A Blind Review & Refereed Quarterly International Journal  
ISSN: 2250-1940 (P) 2349-1647 (O)  
Impact Factor: 3.655(CIF), 2.78(IRJIF), 2.77(NAAS)  
Volume XI, Issue 38  
July - December 2023  
Formally UGC Approved Journal (63185), © Author

## RESERVATION POLICY IN INDIAN EDUCATIONAL SECTOR

DHIYANESH SENTHIL KUMAR, S. SOORAJ & ASHIKA VIJAYAKUMAR

B.B.A. L.L.B. (Hons.), Alliance School of Law, Alliance University, Bangalore

### Abstract

*The reservation policy in educational sector is a major and intricate component of today's global educational system. This policy requires a specified percentage of seats to be allocated to historically marginalized and disadvantaged groups in society, such as Scheduled Castes (SC), Scheduled Tribes (ST), Other Backward Classes (OBC), economically weaker sections (EWS), and individuals with disabilities (PWD). The main purpose of such reservations is to promote social justice, correct past inequalities, and provide educational alternatives to people who have previously faced prejudice and exclusion.*

*This research study aims to investigate the various aspects of reservation policies at academic institutions, such as their historical roots, societal implications, challenges, and overall efficacy. However, reservation policies raise several issues and disputes. Critics contend that such regulations may perpetuate discrimination by limiting possibilities for deserving individuals from other backgrounds. There are risks that merit-based admissions may be jeopardized, lowering educational quality overall. Balancing inclusion goals with academic requirements is a challenging task. Academic institutions provide reserved seats to individuals who would otherwise be denied chances due to social or economic circumstances. This enables for a more diversified student body, which fosters a richer learning environment that benefits from a variety of perspectives and experiences.*

*In conclusion, reservation policies in academic institutions play a critical role in shaping the accessibility and inclusivity of education. This research paper intends to shed light on the multifaceted dimensions of this policy, examining its historical evolution, societal implications, challenges, and effectiveness.*

**Keywords:** Reservation Policy, Social Justice, Inequality.

### Introduction

The reservation system in the Indian educational sector, which is predominantly based on caste, has long been a source of contention. It is a policy with good intentions: to right past wrongs, create social equality, and empower neglected populations. However, it has sparked a slew of worries and debates, including the possibility of discrimination, the persistence of social inequities, and difficulties for outstanding pupils. This research issue digs

into the complexities of India's reservation system, with the goal of providing a full knowledge of its influence on the educational environment and society as a whole.

Reservations may be traced back to India's colonial history, where caste-based prejudice and marginalization were profoundly established. The framers of the Indian Constitution recognized the need to address this historical injustice after independence and laid the groundwork for a policy that would



provide reserved seats in educational institutions and government jobs for Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Classes (OBCs). The ultimate purpose was to help these people. Reservations are frequently praised for their contribution to social fairness. It has certainly offered chances for people who have endured prejudice and marginalization in the past. The system has attempted to bridge the divide between the rich and impoverished portions of society by assuring participation from marginalized groups in educational institutions. Individuals from SC, ST, and OBC backgrounds can now access education and career opportunities that were previously unavailable to them.

However, India's reservation system is not without its difficulties and controversy. One of the most prominent accusations levelled against it is that it may perpetuate caste-based divides and prejudice. Some claim that because the selection process is not purely based on academic achievement, objections have generated a feeling of entitlement among recipients and hampered the development of meritocracy. Furthermore, there are worries that the reservation policy has not met its intended aims in many situations, with a sizable percentage of beneficiaries still enduring socioeconomic issues. Another key feature of this study challenge is the influence of the reservation system on educational quality and talent development. Critics worry that it would deter some of the country's greatest brains from seeking higher education because they will regard the system as a barrier to their dreams. This presents a tremendous challenge in terms of keeping and cultivating the nation's intellectual wealth.

To address these issues and problems, a balance of equity and meritocracy is required. To guarantee that it continues to empower underprivileged areas while simultaneously promoting an atmosphere that rewards merit and aptitude, the reservation system should change and adapt. Reform initiatives such as upgrading elementary and secondary education for underserved populations and expanding skill development programs can supplement reservation policy and assist bridge the gap between the rich and the downtrodden. The reservation system in the Indian educational sector is a complicated topic that touches on equality, social justice,

discrimination, and talent development. While it has definitely made tremendous progress in rectifying historical injustices, it is not without criticism and concerns. This research challenge is a call to action, asking policymakers and researchers to explore the complexities of the system and discover methods to make it more effective and fair. Finally, the goal should be to establish an educational environment that not only corrects historical wrongs but also allows the nation's greatest brains to flourish, regardless of caste.

#### **Research Problem**

The reservation system in the Indian educational sector, which is primarily based on caste, has been a subject of considerable debate and discussion. While the reservation policy was originally designed to address historical injustices and promote social equity, it has indeed sparked various concerns, including the potential for discrimination, social inequalities, and challenges for talented students.

#### **Literature Review**

Research Paper: "Caste-Based Reservations and Human Development in India" by Abusaleh Shariff and S. K. Sasikumar (2006): The study looks at how these reservations impact a number of human development metrics, such as economic well-being, health, and education. The authors examine data to determine if reservation regulations are beneficial in raising historically underprivileged communities' general standard of living. The study sheds light on the social and economic ramifications of these affirmative action programs and offers insights into the intricate relationship between reservation policies and human development.

Research Paper: "Caste-Based Reservations and Educational Attainment in India" by Santanu Mitra and Nidhi S. Sabharwal (2019): This paper investigates the effect of reservations based on caste on educational attainment in India and looks into how these reservations affect students' academic performance, especially in elementary and secondary school. It examines the differences in accomplishment and access and evaluates how well reservation rules work to increase educational opportunities for historically marginalized populations. The research sheds light on the difficulties and achievements in redressing historical injustices and offers insightful information about the

intricate relationship between caste-based reservations and educational advancement.

Article: "Affirmative Action and the Quality-Equity Trade-off in Indian Higher Education" by Shyamal Chowdhury (2014): This study examines how affirmative action rules in Indian higher education strike a balance between equity and quality. It explores the difficulties of accomplishing both goals at the same time, emphasizing that affirmative action may lower educational standards or vice versa. The study looks at how difficult it is to put these ideas into practice and how they affect social justice, academic standards, and access. In the context of Indian higher education, Chowdhury's work provides insightful analysis of the trade-off between guaranteeing equal educational opportunities and upholding high standards of instruction.

Article: "Caste-Based Reservations and Human Capital Investment in India" by Tarun Jain (2016): This study examines the effects of reservations based on caste on India's decisions regarding the deployment of human resources. It investigates the connection between educational options and affirmative action laws, particularly for historically underprivileged populations. According to Jain's research, reservations have an impact on decisions about schooling and have the potential to improve social fairness by giving excluded groups opportunity. The study adds significantly to the current discourse on affirmative action in India's educational system by providing insightful information about the intricate interactions between caste-based reservations and human capital development.

"Reservation Policy in Indian Higher Education: Social Justice versus Meritocracy" by Anand Kumar (2017): This study critically investigates the conflict that exists between meritocracy and social justice in relation to reservation laws. The study explores how merit-based admissions are affected by affirmative action, shedding light on the arguments and difficulties related to this topic. In addition to presenting insights into the complexity of reservation rules and its repercussions on social fairness and meritocratic principles in India, Kumar's work offers a thorough analysis of the contradiction between ensuring quality and expanding access in higher education.

"Equality and Justice in the Indian Constitution" by Madhav Khosla (2018): This book discusses how reservation policies fit within the context of equity and justice as stipulated in the Indian Constitution.

### Scope and Objective

The study paper's scope includes a detailed analysis of the Indian educational system's reservation policy, with a particular emphasis on the policy's relationship to caste. The historical context, legal and constitutional issues, and the effects of reservations on social fairness, educational experiences for different groups, and access to education will all be covered in this essay. The study will also look at problems, disputes, and possible changes to policy.

### Objectives

1. **Historical Analysis:** To present a thorough historical account of the Indian educational system's reservation policy, with a focus on the system's inception, development, and the social and political circumstances that gave rise to it.
2. **Legal and Constitutional Analysis:** To examine the legal framework and constitutional clauses supporting caste-based reservations in Indian educational institutions. An evaluation of pertinent articles and significant court rulings will be part of this.
3. **Effect on Educational Access:** To evaluate how reservations affect historically underprivileged groups' educational possibilities, enrollment rates, and accesses in particular the Scheduled Tribes and Scheduled Castes.
4. **Social Equity and Inequality:** To investigate the ways in which reservations have either mitigated or intensified social disparities within the Indian education system. Examining differences both within and across caste groups will be part of this.
5. **Educational Quality:** To look into how reservation rules might affect education quality while taking diversity in the classroom, standards of instruction, and the whole educational experience into account.
6. **Talented Students and Merit-Based Admissions:** To investigate the difficulties gifted children encounter in getting into esteemed schools while keeping in mind reservation procedures.

**Research Questions**

1. What role did social inequities and historical injustices have in India's creation of caste-based reservations in the school system and What are the most important legal and constitutional rules governing caste-based reservations in Indian educational institutions, and how have they evolved over time?
2. What effect do caste-based reservations in educational institutions have on social fairness and the decrease of inequities between caste groups?
3. What are the ramifications for talented students from non-reserved categories as they compete for limited open category seats, and what are the implications for their educational and career opportunities?
4. How may reservation practices be altered or enhanced to better fit with the Indian Constitution's concepts of equality and social justice?

**Hypothesis**

- Reservation Policy in Educational Sector did not abolish caste system in India and also act as a platform to maintain inequality in the society.
- Reservation Policy in Indian Educational Institution stands as a hurdle for talented students in getting seats in well standard educational institution.

**Methodology**

The main methodology for this study will be doctrinal research, with an emphasis on a thorough analysis of current regulations, guidelines, and scholarly works pertaining to the reservation system in the Indian school system. It will entail a thorough analysis of pertinent government publications, research articles, judicial rulings, and legal legislation. The research will attempt to offer a comprehensive knowledge of the historical background, legal framework, and the development of the reserve policy via this doctrinal analysis. It will also explore the different issues and arguments surrounding it. The study will provide insights into the intricate difficulties underlying this policy by critically analyzing scholarly debate and currently available legal papers.

**Reservation Policy in Education Institutions  
History of Reservation**

In India, the caste system has a long and complicated history of examination and

criticism. Its roots can be traced back to the Vedic period, but it grew into a rigid social structure based on birth throughout time. In ancient India, philosophers such as Buddha and Mahavira condemned the system for its inherent injustices. Such division shaped the social structure people performing certain works are considered to be one caste like priest are considered to be brahmins, warriors are known as kshatriyas, farmers, merchants and craftspeople are known as vaisyas and farm workers, labours, servants are known as sudras.

Even when the caste exist in the society it was not certified in olden period before British rule, during British rule only castes are given certificate and they formulated it ss that is was followed more strictly as compared to post. When britishers first came to India there motive was not to bring any social changes instead to make money so they formulated the existing caste system and followed the same. At that time there was two kinds of people in India the one Hindus and others are Muslims, so in order to rule them they brought personal loss into existence for Hindus in the year 1772 they translated a Sanskrit book into English that is known as Manusmriti which include Hindu culture and other religious rules which are followed by them which British later changed into Hindu law

They left the existing caste system as the belief of Hindu religion and in the year of 1834 the responsibility of taking census is given to Mr Prinsep at that time he told that at the place of Benares there are more than 107 sub caste exist in that locality. In 1872 WR Cornish was responsible to collect census in Madras Presidency in order to find how many variety of caste or existing in India and give certificate according to that, later he accepted that he was unable to find the existing variety of caste in India and they used the existing non cash system for ruling India which was favour for British. So when we look into the history deeply we can conclude that britishers has formulated the castes which are followed now in India.

We can also compare our caste system to the western caste system because the similar kind of caste system was followed even there. The people belonging to lower caste or not give one any other work opportunities other than the work done by their caste groups or

any proper education to uplift their standard of living, when Britishers imposed English Education they first targeted the upper caste people and thought that they would teach for other lower caste people. In 1910 they brought a competitive exam to filter the people for government posting and the eligibility is that they must have good knowledge in English. So people belong to upper caste or only eligible for the government posting and other administrative works. For example in Madras Presidency there are only 3% of people belonging to one class of upper caste and they hold more than 80% of government jobs and we can see an inequality in employment.

Even in British India there is high percentage of people belonging to upper caste in the parliament. In order to abolish the caste system leaders like Dr. B.R. Ambedkar and Raja Ram Mohan Roy asked for the reservation in all political meetings for the lower caste peoples like Dalits and even the same was pounced by the congress party. In 1947 when India got independence an independent constitution was written during that time many social leaders kept a request that a separate provision should be given for the upliftment for the people who are discriminated by the caste, race, gender etc. At that time, they decided to give reservation in two ways one is on politics, and another is for employment, and they believed that it would abolish the discrimination based on caste, gender etc. and continuing till date. Later on, only reservation for education has been brought into existence there were no separate provision at the time of enactment.

In order to know about the reservation policy in educational Sector we must know about the Article 15 of Indian constitution 1949

#### **Article 15**

Prohibition of discrimination on grounds of religion, race, caste, sex or place of birth

1. The State shall not discriminate against any citizen on grounds only of religion, race, caste, sex, place of birth or any of them
2. No citizen shall, on grounds only of religion, race, caste, sex, place of birth or any of them, be subject to any disability, liability, restriction or condition with regard to
  - a. access to shops, public restaurants, hotels and palaces of public entertainment; or

- b. the use of wells, tanks, bathing ghats, roads and places of public resort maintained wholly or partly out of State funds or dedicated to the use of the general public
3. Nothing in this article shall prevent the State from making any special provision for women and children
4. Nothing in this article or in clause (2) of Article 29 shall prevent the State from making any special provision for the advancement of any socially and educationally backward classes of citizens or for the Scheduled Castes and the Scheduled Tribes

In this article it is said that any of the Indian citizen should not be discriminated based on religion, race, caste, sex or place of birth, should not follow any kind of discrimination in public place or in any private place and also Article 15 paved a way for improving the life standard of both women and Children. At this same time in Madras Presidency many medical college and engineering college gave educational seats based on reservation policy and in 1951 a case filed in Supreme Court of India "*State of Madras Vs Smt. Champakam Dorirajan*" saying that it was a discrimination based on caste. The major issue in the case was the legality of specific Madras government regulations that reserved seats in educational institutions and public offices for various caste and religious groups. These decrees were challenged as infringing the Indian Constitution's basic right to equality.

The Supreme Court ruled in its decision that government rules requiring separate reserving of seats based on caste and religion were unconstitutional. The court ruled that such reservations breached Article 15(1) of the Indian Constitution, which forbids discrimination on the basis of religion, race, caste, gender, or place of birth. Champakam Dorairajan's case was noteworthy because it demonstrated the need of sustaining the ideal of equality in a varied and multi-religious country such as India. It also played an important influence in determining the later development of reservation policies in India, eventually leading to the establishment of affirmative action measures in the form of reservations for Scheduled Castes (SC), Scheduled Tribes (ST), and Other Backward Classes (OBC). In reaction to this decision, the Indian government revised the Constitution to

provide for reservation of seats in educational institutions and public jobs for SCs, STs, and OBCs while sticking to the concept of equality. As a result, the case had a long-term influence on Indian social and educational policy, paving the path for a more inclusive and egalitarian society.

The First Constitutional Amendment Act of India of 1951 amended Article 15 of the Indian Constitution. Article 15 prohibits discrimination based on religion, race, caste, gender, or place of birth. The First Amendment to the Constitution introduced Clause (4) to Article 15, allowing the government to create specific measures for the progress of socially and educationally disadvantaged sections, notably the Scheduled Castes (SC) and Scheduled Tribes (ST). The following is the exact amendment made to Article 15:

Article 15(4) reads as follows: "Nothing in this article or in clause (2) of Article 29 shall prevent the State from making any special provision for the advancement of any socially and educationally backward classes of citizens or for the Scheduled Castes and the Scheduled Tribes."

This amendment to Article 15 was a key step in allowing the Indian government to enact reservation policy and affirmative action measures to alleviate past social and educational imbalances, notably among SCs and STs. It permitted the government to create specific accommodations for certain disadvantaged groups, such as quotas in educational institutions and public jobs, without infringing the constitutional prohibition on discrimination.

**Article 46: Promotion of educational and economic interests of Scheduled Castes, Scheduled Tribes and other weaker sections.**

The State shall promote with special care the educational and economic interests of the weaker sections of the people, and, in particular, of the Scheduled Castes and the Scheduled Tribes, and shall protect them from social injustice and all forms of exploitation.

Article 46 of the Indian Constitution is a directive principle of governmental policy. It underlines the government's obligation to strive for the educational and economic advancement of marginalized and disadvantaged populations, notably SCs, STs, and other vulnerable groups. The essay emphasizes the need of reducing inequities and

promoting social fairness by providing these communities with access to education and economic possibilities. Article 46 acts as a guiding concept for the government in developing and implementing policies and programs that elevate historically excluded and impoverished communities in the framework of educational reservation regulations. It urges the state to provide specific arrangements, such as reservations in educational institutions, to help SCs, STs, and other disadvantaged groups progress and be empowered.

Article 46 of the Indian Constitution is a policy direction concept. It emphasizes the government's responsibility to work for the educational and economic progress of marginalized and disadvantaged people, particularly SCs, STs, and other vulnerable groups. The article underlines the need of decreasing injustices and fostering social fairness in these areas by providing them with access to education and economic opportunities. In the scope of educational reserve rules, Article 46 serves as a guiding idea for the government in designing and executing policies and programs that elevate traditionally excluded and underprivileged areas. It calls on the state to provide particular provisions, such as reservations in educational institutions, to assist SCs, STs, and other disadvantaged groups in progressing and becoming empowered.

**Some Other Legislations Governing Reservation Policy in India are:**

1. Scheduled Castes and Scheduled Tribes (Prevention of Atrocities) Act, 1989: While this law primarily targets crimes against SCs and STs, it also has educational ramifications for them. It guarantees the preservation of SCs and STs' rights, particularly their rights in educational institutions.
2. The Central Educational Institutions (Reservation in Admission) Act, 2006: This law requires reservations for SCs, STs, and OBCs in central educational institutions like as IITs, IIMs, and central universities.
3. State Legislation: In India, each state has its own legislation and regulations regarding reservations in educational institutions. These statutes might stipulate the percentage of reserved seats in the state for certain groups.

4. Economically Weaker Sections (EWS) Reservation: In addition to the current reserves for SCs, STs, and OBCs in educational institutions, the Indian government implemented a 10% quota for economically weaker sections (EWS) in 2019. This was based on the 103rd Constitutional Amendment Act of 2019, which amended the Indian Constitution by adding Articles 15(6) and 16(6) to provide for EWS reserves.

#### **Current Exception in Applicability of Reservation Policy**

- The general category is made up of people who do not fit under any of the reserved categories, which include Other Backward Classes (OBCs), Scheduled Castes (SCs), Scheduled Tribes (STs), or Economically Weaker Sections (EWS). Policy on reservations does not apply to them.
- Creamy Layer: When it comes to OBC reservations, those who are in the "creamy layer" are not eligible to get their advantages. The OBC people or families who fall into the "creamy layer" are those who meet specific economic and social standing requirements. Reservations for OBC are not available to these people.
- Forward Communities: If the number of a certain community is extremely small, several Indian states do not have reserves for SCs or STs. Educational reservation regulations do not apply to SCs in these states.
- Economically Advanced Individuals: For EWS reservations, people who make reservations below a certain income criterion are the only ones who qualify. EWS reservations do not assist those with higher incomes.

#### **Social Challenges faced due to Caste based Reservation**

The purpose of reservations in educational institutions is to advance social justice by correcting historical wrongs and encouraging equal opportunity for all citizens, regardless of social status. Till 2003 there was reservation in private institutions but in 2003 the honourable supreme court in *T.M. Pai Foundation v. Union of India* held that the state cannot make the reservation of seats in admissions in privately run educational institutions. The court reaffirmed this stance in *P.A. Inamdar v. State of Maharashtra* in 2005. In an attempt to overturn these court decisions,

the Parliament amended Article 15 by adding clause (5) in the 93rd amendment in 2005. Insofar as such special provisions relate to their admittance to educational institutions, including private educational institutions, this clause empowers the states to enact any special legislation for the advancement of any socially and educationally backward classes of citizens or the Scheduled Castes or Scheduled Tribes.

Article 15(5) is a clause under the Indian Constitution that permits the government to make special provisions for socially and educationally backward classes and Scheduled Castes and Scheduled Tribes with regard to their admission to educational institutions, including private educational institutions, aided or unaided by the State

**Equal Access:** Reservation laws guarantee equal access to educational institutions for members of underprivileged and marginalised populations. This contributes to ending the generation-long cycle of poverty and social marginalisation.

**Social Inclusion:** These policies foster social inclusion by allocating seats to historically marginalised communities. As a result of their combined education, students from various caste origins are more socially integrated and less divided.

**Diversity:** A varied student body improves the educational experience for all students, which is advantageous to educational institutions. Being exposed to other backgrounds, viewpoints, and experiences fosters tolerance and a deeper understanding of the dynamics of society.

**Economic Opportunities:** Having access to education improves one's chances of finding employment and earning a living. People from marginalised groups are better equipped to escape the cycle of poverty and support the economic development of their communities and the country when they acquire high-quality education. Even though it is bringing social equality there are some discrimination

**Reverse Discrimination:** According to some, non-reserved individuals may unintentionally face discrimination as a result of reservation policies. They argue that in order to solve the issue of equity, these policies should be based on economic or other criteria instead of caste.

## State Reservation Policy

Percentages of reservation for each state

State/UT	SC	ST	OBC	EWS	Other Reservations	Total
Andhra Pradesh <sup>[30]</sup>	15	6	29	10		60
Andaman and Nicobar Islands		12	38			50
Arunachal Pradesh <sup>[31]</sup>		80				80
Assam	7	15	27	10		59
Bihar	15	1	34	10		60
Chandigarh			27			27
Chhattisgarh	13	32	14	10		69
Dadra and Nagar Haveli and Daman and Diu	3	9	27			39
Delhi	15	7	27	10		59
Goa	2	12	27	10		51
Gujarat	7	14	27	10		58
Haryana	20		23	10		53
Himachal Pradesh	25	4	20	10		59
Jharkhand	10	26	14	10		60
Karnataka	17	7	32	10		66
Kerala	8	2	40	10		60
Lakshadweep		100				100
Madhya Pradesh	16	20	14	10		60
Maharashtra	13	7	32	10		62
Manipur	3	34	17			54
Meghalaya		80				80
Mizoram		80				80
Nagaland		80				80
Odisha	16	22	11	10		59
Puducherry	16		34			50
Punjab	29		12	10		51
Rajasthan	16	12	21	10	5 for MBC	64
Sikkim <sup>[32]</sup>	7	18	40		20	85
Tamil Nadu	18	1	50			69
Telangana <sup>[33]</sup>	15	10	29	10		64
Tripura	17	31	2	10		60
Uttar Pradesh	21	2	27	10		60
Uttarakhand <sup>[34]</sup>	19	4	14	10		47
West Bengal	22	6	17	10		55

Efficiency and Quality: The possible effects of reservation policies on the effectiveness and efficiency of educational establishments are another issue brought up by critics. They are concerned that caste-based quotas can occasionally trump merit-based selection.

Hatred towards other society: Some people from forward caste believe that reservations are favouring more towards the backward class and they are discriminating the forward caste as they believe that due to reservation qualified people are not getting

admission into prestigious university

#### Challenges faced due to Reservation Policy

The Indian Constitution guarantees equality and a classless society, but in order to advance the interests of all castes in the educational system, the legislature passed the Central Educational Institution (Reservation in Admission) Act 2006 (also known as the Act 2006). This legislation aims to reserve seats for students from Schedule Castes, Schedule Tribes, and Other Backward Classes of Citizens in certain Central Educational Institutions that are established, maintained,

and supported by the Central Government.

### **Center Reservation Policy**

The reservation for higher secondary education sector stands at 49.5%. The percentage of reservation varies in different set of people. Schedule caste 15%, schedule tribe 7.5%, other backward classes 27%, economically weaker section 10%, person with benchmark disabilities 4%.

### **Competitive Exam**

Competitive exams like NEET and JEE are only kept to make sure that student who are capable are only succeeded. These tests are usually designed to assess students knowledge, problem solving capabilities abilities and skills in fair and standardized manner. These exams are conducted for higher education of the people based on the knowledge which they had during their schooling years.

Fair and equal opportunities competitive exams provide a level playing field for all students, regardless of their socio-economic or regional background. Success depends on a student's individual capabilities and preparation. Competitive exams allow educational institutions to allocate their resources more efficiently, ensuring that the most capable students gain access to limited seats in prestigious institutions

One of the Main reasons for these exams are to select capable students who can help in the future in their respective field for EG NEET this exam is conducted as an entrance exam for medical college and institutions. This exam makes sure that only the capable persons are selected.

### **Is the purpose of competitive exams is negatively impacted by reservation policy?**

Yes, the motive of competitive exams is negatively impacted by reservation policy. due to reservation policy many capable persons failing to get admission in prestigious institutions. Reservation policy may at sometimes compromise the merit-based selection, as candidates from reserved categories with lower scores may secure admissions over more meritorious non reserved candidates. There have been many suicide cases in India. Many people are losing their seats to others due to reservation policy. Reservation policy in educational sector is also a reason for brain drain in India

### **Quality of Education and Employment:**

Reservation policies primarily target access to

education. However, there is a concern that these policies may compromise the quality of education and workforce in the long run, as candidates may be selected based on quotas rather than merit

**Impact of Career Opportunities:** Gaining admission to prominent universities frequently leads to improved networking, visibility, and job prospects. Talented non-reserved students might not be able to obtain these benefits if they are not admitted to their desired universities, which could have an impact on their long-term professional prospects.

**Enhanced Competition:** Naturally, there is more competition for the remaining open category seats when there is a portion of seats set aside for students from reserved categories. Talented students from non-reserved categories could have a harder time being accepted, particularly into universities or fields with intense competition.

**Brain Drain:** Some argue that reservation policies can lead to a "brain drain" where talented individuals from unreserved categories may choose to study or work abroad to escape the reservation system, potentially causing a loss of talent within the country.

The phrase "brain drain" is frequently used to characterize the movement of highly educated or skilled people from their native country to other countries in search of better opportunities, higher living standards, better working conditions, and more promising career paths. Though there are many variables at play in the complicated problem of brain drain, Indian reservation rules are one of the cause of it. Brain drain is a complex problem driven by a number of variables. Reservation regulations are one factor among many that influence the emigration of highly skilled professionals, even though they have an impact on how educational and career opportunities are distributed within India. Many factors, including financial opportunity, educational standards, access to cutting-edge research and technology, social and political stability, and individual preferences, play a role in the decision to relocate overseas.

### **Changes that can be brought in reservation policy.**

*Improving India's Reservation Procedures for Social Justice and Equality*

India's affirmative action initiatives have been anchored by its reservation rules, which aim to rectify past injustices and



advance social fairness. These laws, which have their roots in the Indian Constitution, seek to improve the lives of underprivileged and marginalized groups such as Other Backward Classes (OBCs), Scheduled Tribes (STs), and Scheduled Castes (SCs). Though there is continuous discussion on the efficacy and significance of these programs, historically marginalized groups have benefited much from them in terms of representation and opportunity. A number of important factors need to be taken into account in order to properly match reservation policies with the equality and social justice values outlined in the Indian Constitution.

*1. Reservations That Are Need-Based and Specific:*

Increasing the need-based and targeted nature of reservation procedures is one method to improve them. Article 46 of the Indian Constitution highlights the importance of advancing the economic and educational interests of SCs, STs, and other marginalized groups in society. As a result, reservation regulations must be created with the particular difficulties these communities experience in mind. To ascertain eligibility for reserves, a comprehensive evaluation of social and economic data may be necessary.

Additionally, OBC reservations might use a more complex strategy. The "creamy layer" theory aims to deny reservation privileges to OBCs who are more affluent. However, to make sure that reservations really reach the crème layer, it's crucial to regularly review and modify the income and wealth levels.

*2. Including Underrepresented Groups:*

Reservation regulations primarily benefit SCs, STs, and OBCs, but other marginalized groups in India, such as linguistic and religious minorities, also suffer from prejudice and harsh economic times. These groups might be added to the reservation policies in order to conform to the more general social justice standards. This might be useful in tackling India's multifaceted inequality problem.

*3. Women's Reservations:*

Social justice is fundamentally based on gender equality. Reservations for women at educational institutions might be strengthened to support this aim. Though there is space for expansion, certain

governments have currently implemented restricted restrictions for women. A society that is more just and equal would benefit from having more women in educational leadership roles.

*4. Promote Private Sector Involvement:*

Even though government institutions are usually linked with reservations, social fairness may be greatly improved by encouraging the private sector to engage in affirmative action initiatives. This might entail providing incentives for private schools to implement diversity and inclusion programs or reservation procedures.

*5. Frequent Analysis and Investigation:*

It is imperative that reservation policies be founded on research. To evaluate the influence and efficacy of these policies, evaluations and investigations must be carried out on a regular basis. This will support data-driven decision-making and policy adjustment for improved outcomes.

In conclusion, improving India's reservation policies to better align with the principles of social justice and equality found in the Indian Constitution is a difficult and varied task. Targeted policies, social consciousness, legal protections, and a dedication to ongoing progress are all necessary. Even while there are difficulties, it's critical to acknowledge that these policies have made a big difference in India's efforts to advance social justice and correct past wrongs. It is crucial to assess and modify reservation laws as necessary while making sure that their main goals are in line with the ideals of the Indian Constitution in order to create a more just society. By doing this, India can keep moving forward in the direction of greater equality and social justice for all of its people.

**Conclusion**

In conclusion, there has been much discussion and development surrounding India's reservation policy, which has been an essential tool for redressing past wrongs and advancing social justice. It is not without difficulties and controversy, despite the fact that it has made great progress towards advancing diversity, equal access, and opening up economic prospects for underserved groups.

Reservation rules require a nuanced and well-balanced approach, as highlighted by

the concept of the "creamy layer" within the OBC category, the possibility of reverse discrimination, and worries about the quality of education and employment. The policy's effects on employment prospects and the possibility of brain drain also make a thorough reevaluation of its execution necessary.

Recognising the critical role reservation policies have played in righting historical wrongs is essential to the goal of creating a more just and equal society. This acknowledgement shouldn't stop us from keeping these rules updated and modified to better suit the changing needs of Indian society. By doing this, India can fulfil the goals outlined in its Constitution while also advancing social justice and greater equality for all of its residents.

#### References

1. <https://blog.ipleaders.in/what-is-the-reservation-policy-in-educational-institutions-in-india/>
2. <https://www.legalserviceindia.com/legal/article-2326-reservation-in-education-system-in-india.html>
3. [https://en.wikipedia.org/wiki/Reservation\\_in\\_India](https://en.wikipedia.org/wiki/Reservation_in_India)
4. <https://byjus.com/free-ias-prep/reservation/>
5. M P Jain Indian Constitutional Law
6. <https://www.legalserviceindia.com/legal/article-2326-reservation-in-education-system-in-india.html#:~:text=But%20by%20103rd%20amendment%20states,60%25%20of%20the%20total%20seats.>
7. [https://dukespace.lib.duke.edu/dspace/bitstream/handle/10161/8433/Cho\\_MP\\_Final\\_Apr17.pdf?sequence=1](https://dukespace.lib.duke.edu/dspace/bitstream/handle/10161/8433/Cho_MP_Final_Apr17.pdf?sequence=1)
8. Shukla, V.N. Constitution of India, Eastern Book Company.
9. Paramasivan. C (2015), Conventional Methods of Training to Teacher and Its Impact in Higher Education, Advanced Scientific Research & Development (IJASRD), Volume 02, Issue 04 (Oct – Dec'2015) | PP 01 – 09
10. <https://www.scconline.com/>
11. <https://www.livelaw.in/>
12. <https://www.constitutionofindia.net.>

## TREND AND PROGRESS OF MICRO INSURANCE IN SOUTH ZONE

**Dr. S. RAJARAM**

Associate Professor, Department of Commerce, St. Joseph University, Nagaland

### Abstract

*Micro insurance is one of the innovative products for rural people because it covers the risk. Rural population has to face many risks and hardships. Therefore, there is a need of understanding the significance and impact of micro insurance towards empowering rural population in the study area. In this regard, the presented studies discuss the trend and progress of the micro insurance in south zone, with respect to Jeevan Madhur, Jeevan Mangal and Bhakaya Lakshmi of Life Insurance Corporation of India.*

**Keywords:** *Micro Insurance, Trend and progress, South zone, Poor people, Public and private micro insurance.*

### Introduction

Micro insurance is one major part of the manufacturing industries sector. Its protected rural people and industrial labour risk are bearing part of life. India has Monopoly Life Insurance Company there functioning three micro insurance schemes Jeevan Madhu, Jeevan Mangal and Bhakaya Lakshmi. This schemes main motive of unorganized sectors people risk cover, but Life insurance agent not willing to promote this scheme, reason is low premium cost of the schemes but they are got low commission.

### Literature Review

**Paramasivan and Rajaram (2015)** noted that micro insurance is one of the schemes of the life insurance corporation of India which introduced through Jeevan mangal micro insurance policy to reach the unreached people. Jeevan mangal micro insurance south zone performing significantly with attractive policies

**Paramasivan and Rajaram (2016)** analysed that micro insurance is a special kind of insurance, which helps to attract and meet the needs of the unreached people with an affordable cost. Life Insurance Corporation introduced a micro insurance policy in the

name of Jeevan Madhur. A simple saving related life insurance plan for low income persons was launched in 2006. On the death of the policy holder, death benefit amount equal to the total premiums payable during the entire term of the policy will be paid along with bonus if any micro insurance products easily reach the rural poor people.

**Seema shokeen (2017)** Micro Insurance is an instrument which can be used to provide protection to low income segment of the society against various uncertainties at low cost. The main objective of micro insurance is the development of the service at very low price through micro finance institution. It an effective tool which can be used to eliminate poverty of the country moreover government is also contributing in the development of micro insurance by providing various subsidies to make the micro insurance products less costly so that poor people can afford it easily. But micro insurance is still an emerging concept in India and it is facing challenges for its development as people are not average about it and there are no proper channels for its distribution.

**Chrishina Maria roy and Elvina Varghese (2019)** It's reveals that India is

considered to be an economically vulnerable country in the past, but with the introduction of micro insurance, India has become more stable among the lower income groups of the country. Micro insurance is one where the lower income groups of the society has to only pay a certain amount of premium which is in relevance to their risk level and affordability.

**Gowsya Sheik and Raja Babu (2018)** he analysis that the growth of micro insurance has been increasing in the past decade. In recent years, this concept has gained remarkable progress in our country. The developing country like India micro insurance in an economic instrument in supporting the sustainable development of the poor and reducing the inequality. Micro insurance is protection for the low income population. In India 70% of the population resides in the rural areas but they do not have small insurance coverage. Therefore, micro insurance is an enormous opportunity to get social protection to low income people especially those in the informal economy who tend to be underserved by mainstream commercial and social insurance schemes

**Dilip Bania and Sankar Thappa (2018)** Micro insurance is a tool for investment, savings and as a measure of social security to the poor. It increases the livelihood of the poor where they can eat well, have good health since they would not have to save as much for emergencies. The numbers of micro insurance agents are in growing trend both in LIC of India and private insurers too.

**Srijanani Devarakonda (2018)** He said micro insurance is an important instrument that ensures and increases social protection for the poor and destitute. Micro insurance is no longer about merely pushing out products. To create real impact there is a need for work to develop inclusive markets that includes creating the appropriate enabling and protective policy and regulatory environment and developing the necessary supporting infrastructure and capacity to facilitate offering a wide range of affordable products and services to diverse client segments. It is a truth that the world's poor will not achieve lasting prosperity without access to insurance.

**Ram Neegamegam (2017)** it observed that the potential of micro insurance is very high for a developing country like India where a major portion lives below poverty line.

Micro insurance in India is a new concept and in the real sense is yet to be tested for its suitability to the needs of target segment. Spreading awareness among this segment of insurable population and capacity building of delivery organisation are major challengers. In several cases social factors or guiding agencies like insurance agents, employer's friends and relatives influence the prospective buyers to invest in the micro insurance policy.

**Deepak Kumar Adhana and Mayank Saxena (2017)** Micro insurance is optimistic, there is a huge scope for developing the segment in the country. Small firms should make a compulsory contribution from the employer to actively take and participate in an insurance cover. The real problem lies with the corporate because they are still not ready to give importance to the rural market. There is a need of well laid out strategy to target rural market at corporate level. If micro insurance schemes are rightly implemented, it could bring sea change in the living standard of rural population living below poverty line.

#### **Statement of Problem**

Micro insurance products in rural areas must be visualized by insurers not only as a commercial activity of theirs but also as one that is imposed with a sense of corporate social responsibility. Insurance selling should not merely be regarded as a program to sell insurance covers but must be regarded as a movement to inculcate the habit of buying insurance to protect the assets and health of the families to cash in on the growing levels of rural incomes in the future. Micro insurance refers to the insurance of the low income people. Today, the promise of providing social security to all is not being fulfilled in India. Only 20 per cent of the world population enjoys adequate social protection. Paradoxically the poor, who are the most in need of social protection, are the excluded ones

#### **Objectives**

1. To analysis the trend and progress of micro insurance in south zone
2. To examine private and public sector micro insurance companies in south zone

#### **Research Methodology**

The present study is descriptive and analytical in nature by using primary data. Primary data were collected with the help of structured interview schedules which were distributed to the respondents of the micro

insurance policy holders. Stratified random sampling techniques were applied to select the sample respondents. Collected data were

analysed with the advanced and appropriate statistical tools.

**Result and Discussion**

**Table -1: Mean differences in selected variables between private and public sector companies**

	company	N	Mean	Std. Deviation	Std. Error Mean
Individual Live Insurance premium (in lakhs)	private	5	897.3840	111.60352	49.91061
	public	5	11295.3240	2448.50555	1095.00497
Number of policy holders(in lakhs)	private	5	749889.00	161909.059	72407.933
	public	5	3061843.60	1015345.680	454076.392
Individual Policy Holders Death claim paid (in lakhs)	private	5	1038.6940	1430.72088	639.83783
	public	5	3470.9240	4819.15139	2155.19002
Number of schemes	private	5	93.40	69.716	31.178
	public	5	5342.80	112.768	50.432
Number of individual Policy holders' live Insurance covered	private	5	1335685.20	594005.340	265647.264
	public	5	12555583.00	2049984.154	916780.784
Number of Micro insurance Agents	private	5	1251.80	491.620	219.859
	public	5	12561.00	4241.648	1896.923
Group policy holders' Death Insurance Claim Paid (in lakhs)	private	5	1533.2820	1434.60689	641.57571
	public	5	51644.7620	49700.32889	22226.66278
Number of Group Policy Holders live Insurance Covered	private	5	3388.80	1868.558	835.645
	public	5	78928.60	48606.604	21737.534
Group Live insurance premium Covered(in lakhs)	private	5	1338.8600	388.07418	173.55205
	public	5	16026.4460	5639.33480	2521.98719
Number of New Policies Issued(in lakhs)	private	5	95.3660	32.25110	14.42313
	public	5	365.8920	16.14474	7.22015
Number of Corporate Agents	private	5	1200.80	884.659	395.631
	public	5	280.20	138.938	62.135
Number of Individual Agents	private	5	1152726.20	222617.563	99557.601
	public	5	1277400.80	95955.662	42912.677
Group Life Insurance Premium(in Crore)	private	5	81491.5640	4557.26543	2038.07106
	public	5	207637.1740	18471.99339	8260.92658
State wise Distribution of Life Insurers	private	5	7521.40	1044.442	467.088
	public	5	3688.20	651.473	291.347

**Table-2: Independent Samples t-test for Equality of Means**

Variables	t-test for Equality of Means						
	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Individual Live Insurance premium (in lakhs)	-9.486	8	.000	-10397.9	1096.141	-12925.6	-7870.2
Number of policy holders(in lakhs)	-5.028	8	.001	-231195	459813.30	-337228	-125162.0
Individual Policy Holders Death claim paid (in lakhs)	-1.082	8	.311	-2432.2	2248.16	-7616.5	2752.0
Number of schemes	88.536	8	.000	-5249.4	59.29	-5386.1	-5112.6
Number of individual Policy holders' live Insurance covered	11.755	8	.000	-11219897.8	954492.26	-13420960.9	-9018834.7
Number of Micro insurance Agents	-5.922	8	.000	-11309.2	1909.62	-15712.7	-6905.65

Group policy holders' Death Insurance Claim Paid (in lakhs)	-2.254	8	.054	-50111.4	22235.92	-101387.6	1164.6
Number of Group Policy Holders live Insurance Covered	-3.473	8	.008	-75539.8	21753.59	-125703.6	-25375.9
Group Live insurance premium Covered(in lakhs)	-5.810	8	.000	-14687.5	2527.95	-20517.0	-8858.1
Number of New Policies Issued(in lakhs)	-16.772	8	.000	-270.5	16.12	-307.7	-233.3
Number of Corporate Agents	2.299	8	.051	920.6	400.48	-2.9	1844.1
Number of Individual Agents	-1.150	8	.283	-124674.6	108412.23	-374673.6	125324.4
Group Life Insurance Premium(in Crore)	-14.826	8	.000	-126145.6	8508.62	-145766.5	-106524.6
State wise Distribution of Life Insurers	6.963	8	.000	3833.2	550.50	2563.7	5102.6

Ho1: There is no difference in mean Individual Live Insurance premium between private and public sector companies

The study shows that there is significant differences in mean premium income between private and public sector companies since  $P=0.000$  is less than  $\alpha=5\%$ .

Ho2: There is no difference in mean number of policy holders between private and public sector companies

Similarly, the study highlights that there is statistically significant differences in mean number of policy holders between private and public sector companies since  $P=0.001$  is less than  $\alpha=5\%$ .

Ho3: There is no mean difference in individual death claim payment between private and public sector companies

Since  $P=0.311$  is higher than  $\alpha=5\%$ , the null hypothesis is accepted stating that there is no statistically significant difference between private and public sector companies in terms of individual death claim payments.

Ho4: There is no mean difference in number of schemes between private and public sector companies

The study shows that there is significant mean differences in number of schemes between private and public sector companies since  $P=0.000$  is less than  $\alpha=5\%$ .

Ho5: There is no mean difference in live insurance covered between private and public sector companies

The study shows that there is significant mean differences in live insurance covered between private and public sector companies since  $P=0.000$  is less than  $\alpha=5\%$ .

Ho6: There is no difference mean in number of micro insurance agents between private and public sector companies

Similarly, there is significant mean differences in number of micro insurance agents between private and public sector companies since  $P=0.000$  is less than  $\alpha=5\%$ .

Ho7: There is no difference in mean number of policy holders between private and public sector companies

The  $P\text{-value}=0.000$  is less than  $\alpha=5\%$ . Hence, the null hypothesis is rejected stating that there is statistically significant difference between private and public sector companies in terms of number of policy holders.

Ho8: There is no difference in mean group death insurance claim paid between private and public sector companies

The  $P\text{-value}=0.54$  is higher than  $\alpha=5\%$ . Hence, the null hypothesis is accepted stating that there is no statistically significant difference between private and public sector companies in terms of group death claim payments.

Ho9: There is no mean difference in group live insurance coverage between private and public sector companies

Since  $P=0.008$  is less than  $\alpha=5\%$ , the null hypothesis is rejected stating that there is statistically significant difference between private and public sector companies in terms of group live insurance coverage.

Ho10: There is no mean difference in group live insurance premium coverage between private and public sector companies

Since  $P=0.000$  is less than  $\alpha=5\%$ , the null hypothesis is rejected stating that there is

statistically significant difference between private and public sector companies in terms of group life insurance premium coverage.

Ho11: There is no mean difference in number of new policies issued between private and public sector companies

The P-value=0.008 is less than  $\alpha=5\%$ . Hence, the null hypothesis is rejected stating that there is statistically significant difference between private and public sector companies in terms of number of new policies issued.

Ho12: There is no mean difference in number of corporate agents between private and public sector companies

The P-value=0.051 is higher than  $\alpha=5\%$ . Hence, the null hypothesis is accepted stating that there is no statistically significant difference between private and public sector companies in terms of number of agents.

Ho13: There is no mean difference in number of individual agents between private and public sector companies

Since the P-value=0.283 is higher than  $\alpha=5\%$ , the null hypothesis is thus accepted stating that there is no statistically significant difference between private and public sector companies in terms of number of individual agents.

Ho14: There is no mean difference in group life insurance premium between private and public sector companies

The study highlights that the null hypothesis is rejected since the P-value=0.000 is less than  $\alpha=5\%$  stating that there is statistically significant differences between private and public sector insurance companies in terms of group life insurance premium.

Ho15: There is no mean difference in state wise distribution of life insurers between private and public sector companies

The P-value=0.000 is less than  $\alpha=5\%$ . Hence, the null hypothesis is rejected stating that there is statistically significant difference between private and public sector companies in terms of state wise distribution of life insurers.

**Trends and Progress of Micro Insurance**

**Table-5 Regression Model -Individual Life Insurance Premium Analysis**

Model	Standardized Coefficients	t	Sig.	95% Confidence Interval for B		Correlations		Collinearity Statistics	
	Beta			Lower Bound	Upper Bound	Zero-order	Partial	Part Tolerance	VIF
1	(Constant)	-.342	.741	-1897.55	1406.89				

In order to study the trends and progresses of micro insurance, the study employed a linear regression model. Ten explanatory variables have been entered in to the model and only few have shown significant association with the outcome variable while majority failed to explain the dependent variable due to co linearity problem and being removed from the model.

**Table-3: Model Summary- Individual LI Premium**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.971 <sup>a</sup>	.943	.936	1447.82

a. Predictors: (Constant), Number of individual Policy holders' life Insurance covered

The analysis shows that the adjusted R<sup>2</sup> is found to be 93.6%. This indicates that the dependent variable which is individual life insurance premium is exclusively explained/dictated by the independent variable" which is number of individual policy holders' life insurance coverage" see Table-3.

**Table-4 Analysis of Variance (ANOVA<sup>a</sup>)- Individual LI Premium**

Model	Sum of Squares	df	Mean Square	F	Sig.
1	27755383.649	1	27755383.649	132.408	.000 <sup>b</sup>
	16769593.828	8	2096199.16		
Total	29432342.978	9			

a. Dependent Variable: Individual Live Insurance premium (in lakhs)

b. Predictors: (Constant), Number of individual Policy holders' live Insurance covered

The analysis of variance (ANOVA) shows that there is statistically significant association between individual life insurance premium and number of individual policy holders' live insurance coverage. It also shows that the fitness of the model is good and statistically significant since its P-value= 0.000 is less than  $\alpha=5\%$  (see table-4).

Number of individual Policy holders' live Insurance covered	.971	11.50	.000	.001	.001	.971	.971	.971	1.000	1.000
---	------	-------	------	------	------	------	------	------	-------	-------

a. Dependent Variable: Individual Life Insurance Premium (in lakhs), **Coefficients<sup>a</sup>**

In order to study the effects of micro insurance, a regression model has been applied. The analysis shows that from among the 10 variables entered in to the model, only one variable is found to be having statistically significant effect on the dependent variable. The remaining 9 variables are removed due to multi-collinearity problem from the model. According to this study, individual life insurance premium (company premium) is highly dictated by number of individual policy holders' life insurance coverage. This study indicates that there is positive and statistically significant association between premium and number of individual life insurance coverage since the P-value=0.000 is less than  $\alpha=0.05$ . Besides, the study shows that a unit increase in the number of individual life insurance coverage results in 97.1 per cent rise

(progress) in the individual life insurance premium (see table-5).

**Table-6: Model Summary-Group LI Premium**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	.989 <sup>a</sup>	.979	.973	11196.93

a. Predictors: : (Constant), Number of Micro insurance Agents, Number of individual Policy holders' live Insurance covered

Table-6 shows that 97.3% of the dependent variable (group life insurance premium) is explained by two independent variables, namely number of micro insurance agents and number of individual policy holders' life insurance coverage. Besides, table-7 indicates that the goodness of fit of the model is statistically significant at P-value of 0.000.

**Table-7: Analysis of Variance (ANOVA<sup>a</sup>)-Group LI Premium**

Model	Sum of Squares	df	Mean Square	F	Sig.
2 Regression	40352121379.79	2	20176060689.89	160.93	.000 <sup>b</sup>
Residual	877598758.61	7	125371251.23		
Total	41229720138.40	9			

a. Dependent Variable: Group Life Insurance Premium (in Crore)

b. Predictors: (Constant), Number of Micro insurance Agents, Number of individual Policy holders' live Insurance covered

**Table-8: Regression Model - Group Life Insurance Premium Analysis**

Model	Standardized Coefficients Beta	t	Sig.	95.0% Confidence Interval for B		Correlations		Collinearity Statistics		
				Lower Bound	Upper Bound	Zero-order	Partial Part	Tolerance	VIF	
(Constant)		12.31	.000	55445.79	81797.19					
2 Number of Micro insurance Agents	.569	5.58	.001	3.36	8.30	.957	.904	.308	.292	3.42
Number of individual Policy holders' live Insurance covered	.461	4.52	.003	.002	.008	.940	.863	.249	.292	3.42

a. Dependent Variable: Group Life Insurance Premium (in Crore); **Coefficients<sup>a</sup>**

Similar analysis has been made to observe the effect of the explanatory variable on the outcome variable. Out of ten variables entered into the model, only two of them, namely number of micro insurance agents (with P-value is 0.001) and number of

individual policy holders' live insurance coverage (with P-value is 0.003) have statistically significant effect on group life insurance premium. The effect is positive in both cases. On one hand, a unit increase in the number of micro insurance agents result in an



increase in group life insurance premium by 56.9 per cent. On the other hand, a unit increase in number of individual policy holders' life insurance coverage increases group life insurance premium by 46.1 per cent. In general, the study shows that the progress of micro insurance is dependent on premium paid by groups and individuals which in turn is highly dictated by the aforementioned two explanatory variables.

The average individual policy holders' life insurance premium is declining over time for both public and private insurance companies (See fig.1). Moreover, figure-2 shows that the average group policy holders' life insurance premium is drastically declining from 12,100.91 lakhs in the year 2009/10 to rupees of 5,490.15 lakhs in 2011/12. It eventually increased to 10,901.33 lakhs from year 2011/12 to 2012/13. Finally it declined again to 7088.34 lakhs from year 2012/13 to 2013/14. The average number of policy holders has increased to 2,518,070 lakhs from 1,491,977 between the period of 2009/10 and 2012 and 13. Then this figure has drastically fallen down to 1,383,580 lakhs from 2012/13 to 2013/14 (see fig.3). The present study also shows that the average individual policy holders' death claim payment has slightly increased from 412.74 lakhs to 1,140.85 lakhs in the period 2009/10 and 2012/13. However, it has drastically raised to 7,815.50 lakhs with in the period of 2012/13 to 2013/14 (see fig.4). The analysis so far made also highlights that the average state wise distribution of life insurers has declined from the period 2009/10 to 2012/13 and then slightly raised between the period 2012/2013 and 2013/14 (see fig.5). Similar analysis shows that the mean number of schemes has slightly increased between the period 2009/10 and 2011/12 and then declined between the period 2011/12 to 2013/14 (see fig.6).

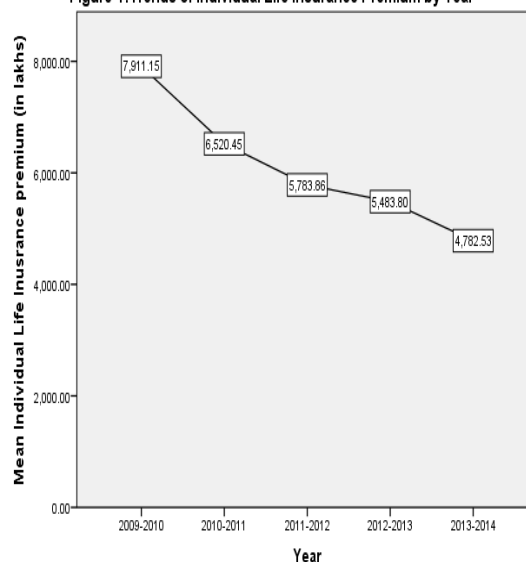
The study also shows that the average number of individual policy holders' life insurance coverage has declined from the period 2009/10 to 2011/12, then it has increased between 2011/12 and 2012/13 and finally came down from 2012/13 to 2013/14 (see fig.7). But, the average number of micro insurance agents has progressively increasing from 2009/10 through 2013/14 all over the five years (see fig.8). Similarly, the study shows that group policy holders' death insurance claim payment has slightly increased

over the period of 2009/10 through 2012/13 and raised at a faster rate after 2012/13 till 2013/14 (see fig.9). However, the average number of policy issued has eventually declined all over the five years period (see fig.10). On top of that, the average number of individual agents has declined at slower rate over the last five years periods (see fig. 11). However, the analysis shows that the average number of corporate agents has drastically declined over the subsequent five years (see fig.12).

**Conclusion**

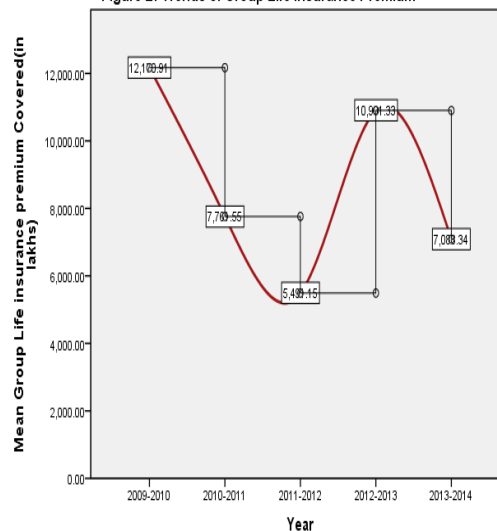
The micro insurance scheme is helpful to rural poor people and unorganized sectors labours so Indian government takes incentive for these micro insurance schemes to promote for development of our nation.

Figure-1: Trends of Individual Life Insurance Premium by Year



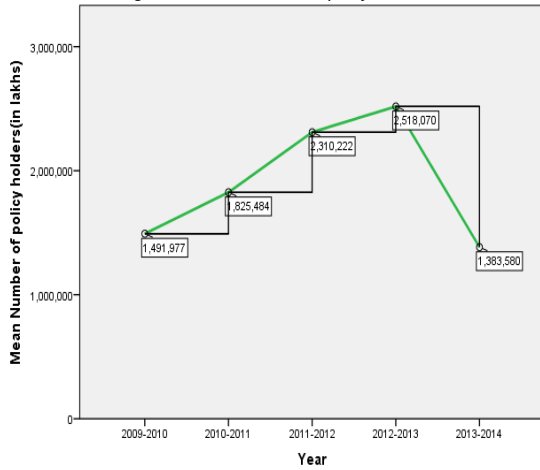
Source: Author 2017

Figure-2: Trends of Group Life Insurance Premium



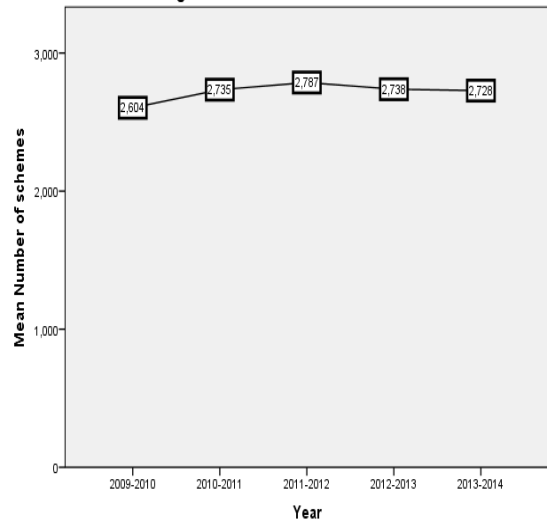
Source: Author 2017

Figure-3: Trends in Number of policy Holders



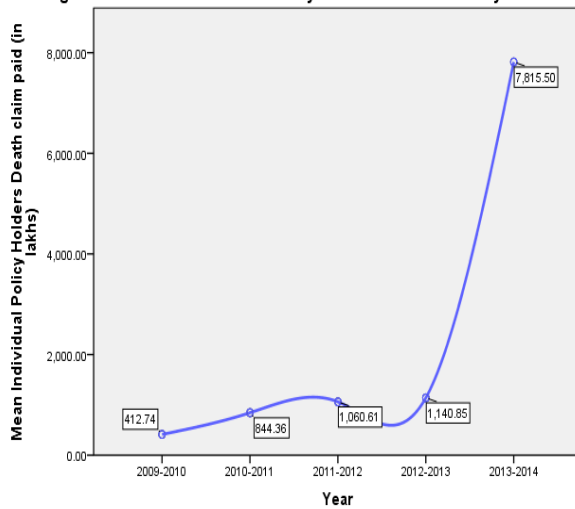
Source: Author 2017

Figure-6: Trends in Schemes of MI



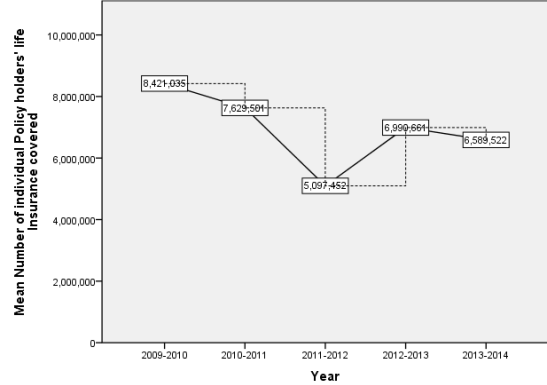
Source: Author 2017

Figure-4: Trends of Individual Policy Holders' Death Claim Payment



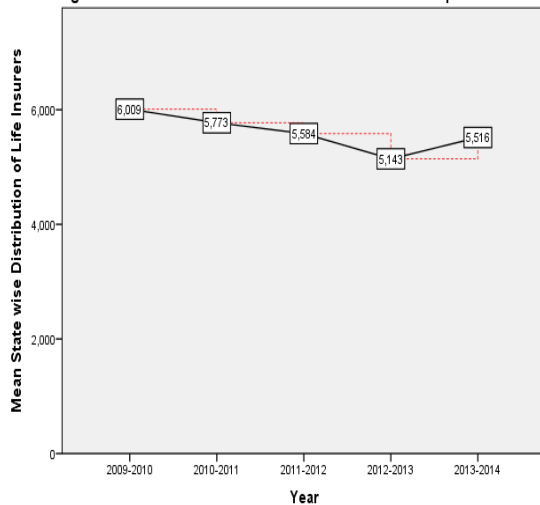
Source: Author 2017

Figure-7: Trends in Individual Policy Holders' Life Insurances Coverage



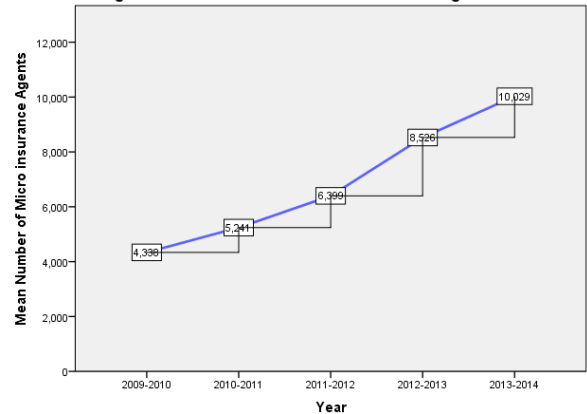
Source: Author 2017

Figure-5: Trends in the Distribution of Life Insurance Companies



Source: Author 2017

Figure-8: Trends in Growth of Micro Insurance Agents



Source: Author 2017

Figure-9: Trends of Group Policy Holders' Death Insurance Claim Payment

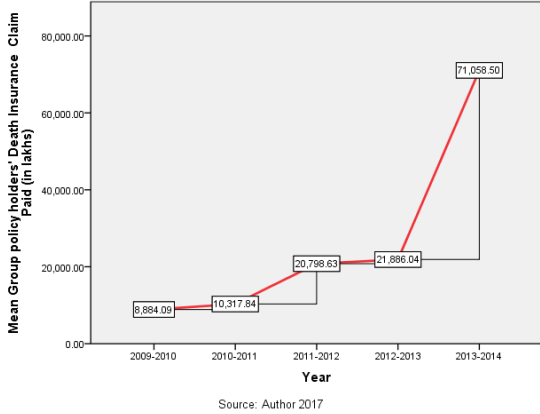


Figure-10: Trends in the Growth of New Policy Issued

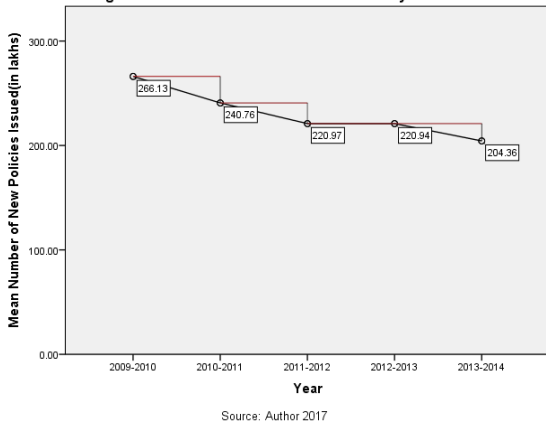


Figure-11: Trends in Growth of Individual Agents

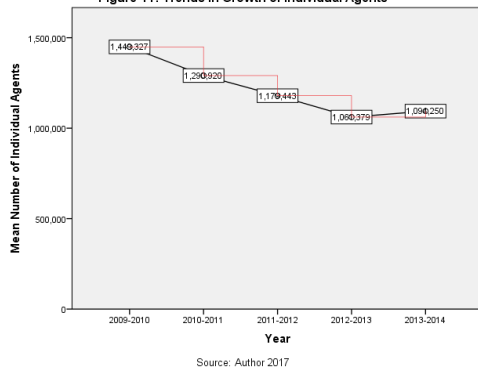
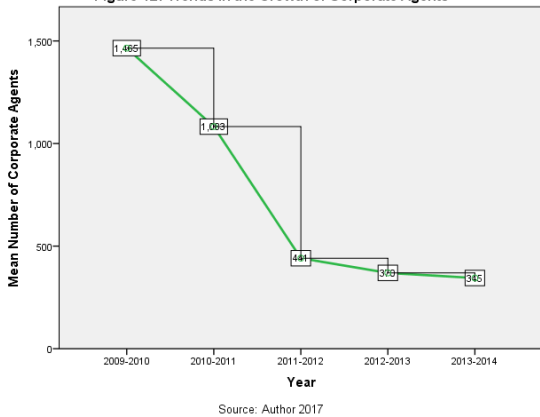
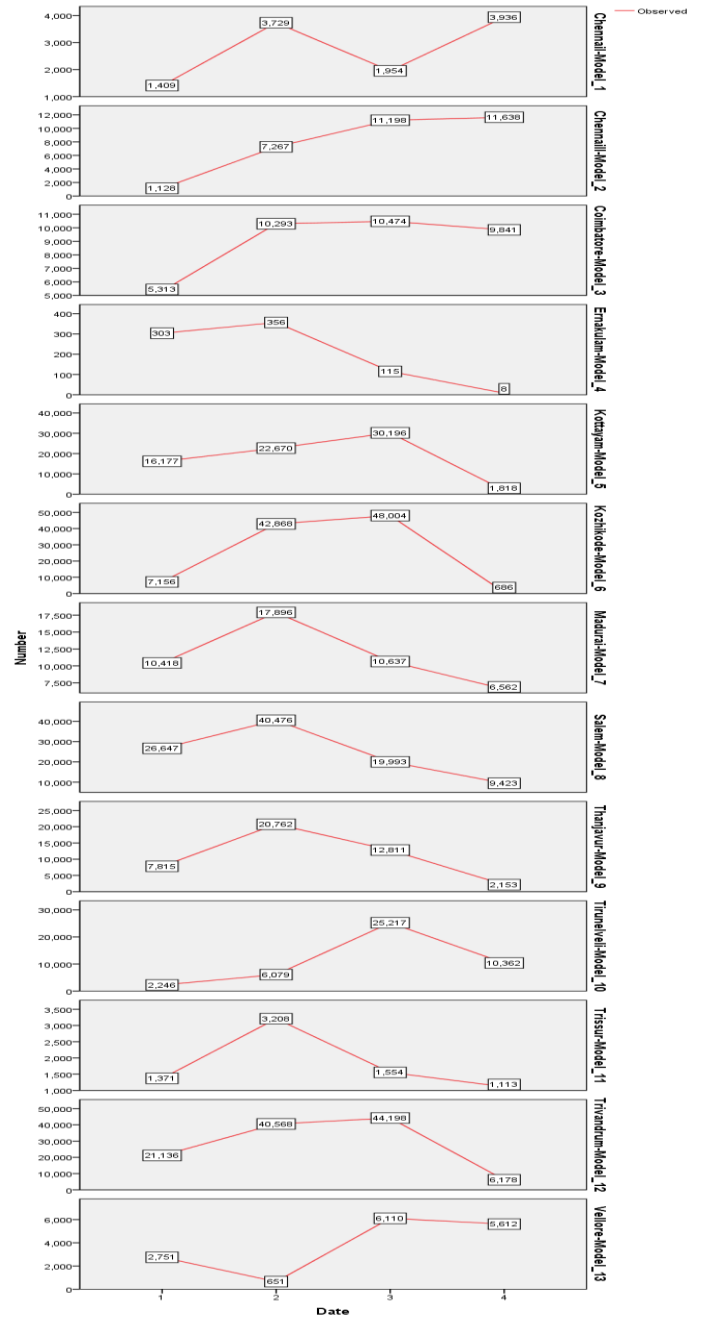


Figure-12: Trends in the Growth of Corporate Agents



### Trends of Jeevan Madhur Micro insurance Policy holders



**References**

1. Christine Maria Roy and Elvina Varghese (2019) Micro insurance policies with special reference to life and health insurance in India. *International Journal of business and management Invention*. Vol. 8., Issue No.1., pp.83-88.
2. Deepakumar Adhana and Mayank saxena (2017) Micro insurance in India: A powerful tool to empower poor. *Asia pacific journal of research in business management*. Vol.8., Issue 7., pp.88-107
3. Dilip Bania and Sankar (2018) Life micro insurance in Assam- A case study. *International Journal of Management studies* vol.5 Issue 3., pp.44-52
4. Gowsya Sheik and Raja Babu (2018) Micro insurance mechanism and opportunities for the sustainable development of India economy. *International Journal of mechanical engineering and technology* Vol.9., Issue 2., pp.857-865
5. Paramasivan and Rajaram, (2015) Jeevan Madhur Micro Insurance in south zone- A birds eye view study, *SELP Journal of Social Science*. Vol.6., Issue 26, pp.10-15
6. Paramasivan and Rajaram, (2016) Jeevan Mangal Micro Insurance in India – A Performance Approach in South Zone, *International Journal of Trend in Research and Development*. Vol.3., Issue 2., pp.320-323
7. Paramasivan. C (2011), Customer Satisfaction through Information Technology in commercial banks, *Journal of Commerce and Management Thought*, Vol.2, Issue 4, October, pp 509-522.
8. Ram Neelamegam (2017) Social factors as determinations of investment in micro insurance: A study with reference to kollam district, kerala. *ICTACT journal on management studies* Vol.3, Issue 3, pp.543-546
9. Seema Shokeen (2017) Micro insurance in India, *International Journal of Engineering applied science and technology* Vol.2 Issue 3 pp.20-25
10. Srijanani devarakonda (2018) Micro insurance in India: an analysis of the perceptions problems and opportunities. *International Journal of Trade and Policy*. DOI:10.28.2833

Available online @ [www.iaraindia.com](http://www.iaraindia.com)  
RESEARCH EXPLORER-A Blind Review & Refereed Quarterly International Journal

ISSN: 2250-1940 (P) 2349-1647 (O)  
Impact Factor: 3.655(CIF), 2.78(IRJIF), 2.77(NAAS)

Volume XI, Issue 38  
July - December 2023  
Formally UGC Approved Journal (63185), © Author

## STAKEHOLDERS' VIEWS OF CERTAIN BANK BRANCHES IN KOLKATA'S CSR PRACTICES

**ANINDITA SAHA**

Assistant Professor, Department of Commerce, East Calcutta Girls' College

**Prof. PRANAM DHAR**

Professor & Head, Department of Commerce, West Bengal State University

### Abstract

*Corporate Social Responsibility is defined as “the economic, legal, ethical, and philanthropic expectations placed on organizations by society at a given point in time.” The Banking system of the country is the base of the economy and economic development of the country. From the literature review it has been found that there is no such provision regarding CSR for the Banks, the leading component in Indian Service Sector, in their relevant regulation like the Banking Regulations Act. They only engage in CSR voluntarily. Therefore, the present study investigates empirically, what the selected banks could do if they had been modelled to comply with the CSR regulations provisioned in the Companies Act, 2013 and the stakeholders’ perception in this regard. Finally we have done a comparative analysis with the help of Garrett Ranking Method. We find that ‘Benefits of CSR’ is the most important factor influencing Stakeholders’ Perception on CSR practices in the Banking Sector. Finally it can be concluded that in the present regulation of the bank namely, Banking Regulation Act, no provision is there for the banks for the compulsion of CSR activities just like that being mandated in the Companies Act, 2013 and 2020 and therefore, the only engagement in CSR activities by the banks is voluntary. The researcher, through this perception study, wants to highlight the benefits of CSR as influenced by stakeholders’ perception so that the policy makers of the public and private sector banks could think about the compulsion to set CSR parameters and benchmarks to stop manipulating and window-dressing CSR data which does not really reflect the opinion of actual stakeholders like the listed companies, as there is no compulsion of fund allocation and utilization for CSR in banking industry.*

**Keywords:** CSR, Banking Regulations act, Garrett Ranking, EFA.

### Introduction

Corporate social responsibility is everything an organization does for society's benefit above and above what is required by law. The phrase "responsibility" highlights the fact that the company has moral duties to the community. CSR is a type of corporate self-regulation incorporated into a business

strategy. It is also known as Sustainable Responsible Business (SRB) or Corporate Social Performance. However, on the flip side, industrialization and commercialization of the service sector have rooted the use of non-renewable energy sources, global warming, the greenhouse gas mission, and rising levels of waste that have detrimental

effects on the next generation. The idea of Corporate Social Responsibility (CSR) has gained widespread acceptance as people's concerns about sustainable development, environmental performance, and the management of natural resources have grown. To ensure the sustainable growth of an economy, CSR concepts must be fully integrated into business operations. These programmes have successfully returned industrialized nations to act in a socially responsible manner. However, there aren't enough targeted and efficient responses to the current need in underdeveloped countries. Additionally, a very small amount of research has been done to look into CSR practices in emerging and developing countries.

### **Conceptual Aspects - CSR**

Corporate social responsibility (CSR) is the ongoing commitment made by businesses to the socioeconomic advancement of the communities in which they operate. It is an effective strategy for creating long-lasting stakeholder values and earning sustainable competitive profits. Corporate social responsibility is regarded as a crucial tool for gaining a competitive edge and enhancing a company's reputation. Numerous Indian banks have developed their unique brand identities in the area of corporate social responsibility (CSR) by participating in a range of social projects for community improvement and social welfare. According to research, banks mostly focus their CSR efforts on women, children, rural development, education, and community welfare. Banks need to step up their CSR efforts, and this can be achieved by including an increasing number of social development issues related to the business sector.

### **Banking Sector in India**

The foundation of the nation's economy and economic progress is its banking system. It is the most important component of the nation's financial system because it accounts for more than 70% of the money that moves through it. The nation's banking system serves three main purposes:

- a. Operations of Payment system
- b. Depositor & protector of people's savings
- c. Issue loans to individual and Companies

### **Brief Review of the Literature Reviewed**

The whole literature review has been sub-divided into **three sections**

1. Literature review on the CSR performance of banking sector
2. Employees' perception on CSR practices in banking sector
3. Customers' perception on CSR practices in banking sector

### ***Literature Review on the CSR Performance of Banking Sector***

According to **Holmes and Watts (1999)**, CSR is a company's ongoing commitment to act morally, promote economic growth, and enhance the lives of its employees, their families, the local community, and society as a whole. Some academics contend that working with a CSR viewpoint increases long-term earnings for organizations, while others contend that CSR detracts from the economic purpose of businesses.

"There is one and only one social responsibility of business," asserts **Friedman (2006)**, "and that is to use its resources and engage in activities designed to increase its profits as long as it plays by the rules, that is, as long as it engages in open and free competition without deceit or fraud."

**Paramasivan C, Savarimuthu S (2015)** The term became popular in the 1960's and has remained a term used indiscriminately by many to cover legal and moral responsibility more narrowly construed. World business council for sustainable development regards Corporate Social Responsibility as engine for the social dimension which supports companies to fulfill their responsibilities as good citizens and defines Corporate Social Responsibility as business commitment to contribute to sustainable economic development, working with employees, their families, local community and society at large to improve their quality of life (WBCSD, 2006).

**Carroll (2008)** elucidated they also owe it to the community to support them by using their goods and services and allowing their establishment through various laws and regulations.

### ***Literature Review on Employees' Perception on CSR Practices in Banking Sector***

**Imran Ali, Kashif Ur Rehman, Syed Irshad Ali, Jamil Yousaf and Maria Zia** their research indicates a strong correlation between CSR initiatives and employee organisational commitment, employee organisational co

commitment and performance, and CSR initiatives and performance.

**DanZheng** found that CSR has a major impact on the attitudes and behaviours of people at work. CSR has the potential to improve employee attitudes and behaviours, support corporate success, and create a win-win scenario. Consequently, businesses should examine the degree of employee

#### ***Literature Review on Customers' Perception on CSR Practices in Banking Sector***

**Alan Pomeroy and Sara Dolnicar** discovered that there is a low level of knowledge of banks' social endeavours and the underlying societal concerns these CSR programmes address. There was also a poor level of general consumer awareness of any bank activities aimed at improving social or environmental issues in their town.

**Rojanasak Chomvilailuk Ken Butcher** discovered that the three CSR initiatives had a small but significant impact on consumers' brand preference. The degree of determinant differed with respect to cultural values, age, and CSR temperament. Even though older consumers valued perceived brand quality more generally, the kind of CSR programme could have a significant impact on customer preference.

#### **Identification of the Research Gap**

It is clearly seen from the above literature review that although there are stringent regulations relating to the compliance of the Corporate Social Responsibility for the Corporate Sector in India, especially those for the listed companies, there is no such provision for the Banks, the leading component in Indian Service Sector, in their relevant regulation like the Banking Regulations Act. They only engage in CSR voluntarily. Further, no specific empirical work is done on the Stakeholders' Perception on the CSR Practices followed by the Banks, which is very much needed, as per the financial inclusion policy and strategies of the Government and Bank Policy Makers.

Therefore, the present study investigates empirically, what the selected banks could do if they had been modeled to comply with the CSR regulations provisioned in the Companies Act, 2013 and the stakeholders' perception in this regard.

#### **Objectives of the Present Study**

In view of the above research gap identified, the following objectives were found pertinent

for the study:

1. To examine the regulatory environment for CSR in Indian Banking Sector.
2. To determine which key sectors the Indian banking sector's CSR initiatives are focused on.
3. To conduct evidence based and participatory research for identifying key issues for CSR interventions.

#### **Research Methodology for the Present Study**

##### ***Data Source***

Structured questionnaires that have been completed have been used to gather quantitative data. The sample will be selected based on convenient sampling procedure. Necessary data support has also been taken from various secondary sources of information, relevant books, journals, periodicals and websites, wherever necessary.

##### ***Tools for Analysis***

The collected data has been analyzed using SPSS 25 and descriptive statistics; Exploratory Factor Analysis (EFA) using Principal Component Analysis (PCA) has been carried out to depict the findings of some data. Finally, we have done a comparative analysis of factors influencing respondents' perception. For that the present study has been used Garrett's Ranking Method to prioritize the components of Corporate Social Responsibility as identified by the respondents in the study area and for the select Banks.

#### **Employees' Perception Study on the CSR Practices of Select Bank Branches in Kolkata**

##### **Primary Data**

The required Primary Data has been collected from first-hand experience through primary data by preparing structured questionnaire comprising of Open-ended and Closed-ended questions. This survey consists of demographic questions in the beginning, dichotomous and multiple-choice questions in the middle, 5-point Likert Scale questions, and finally open question where respondent could write suggestions or opinions. The primary data is collected with the help of **convenient sampling** from **10 Public Sector Banks** and **4 Private Sector Banks** employee through personal connection. Structured questionnaire (Physically & Online) was sent to all the employees of **133 bank branches** but only **905** properly filled up questionnaire were received from the respondents.

**Data Collection Period**

The broad period of primary data collection using the structured questionnaire is from January, 2022 to August, 2022 approximately 08 months.

**Exploratory Factor Analysis (EFA)**

**Factor interpretation based on Exploratory Factor Analysis on Employees’ Perception on CSR activities of select sample banks**

The value of **KMO is 0.957** which is higher than 0.5 indicates that the sample is adequate for carrying out factor analysis and has sufficient items for each factor.

Similarly, the control of **Sphericity (Bartlett’s sig < 0.001)** indicates that **EFA can be carried out** as because the correlation matrix is different from an identity matrix and correlations between variables are not zero.

**Principal Component Analysis (PCA)** is a method of reducing large number of variables into smaller number of factors and at the same time preserving most of the statistical information. In order to carry out Principal Component Analysis to identify the factors which have an effect on perception study of the sample select respondents regarding the employees’ perception on CSR practices by select bank branches in Kolkata, it’s evident that **twenty one (21) variables are extracted into two (2) exploratory factors which explain 54.127% of the total variance.**

**a) Factor 1:**

The first exploratory factor with eleven variables is named as **“Benefits of CSR”**.

The variable **"Benefits of CSR"** has a multiple regression equation that is greater than 1. It looks like this:

$$\beta_1 = 0.759X16F + 0.740X16E + 0.717X16D + 0.716X16M + 0.703X16L + 0.694X16G + 0.681X16N + 0.674X16K + 0.652X16O + 0.642X16J + 0.636X16H \dots\dots\dots (i)$$

**b) Factor 2:**

The second exploratory factor with four variables is named as **“CSR Practices”**.

The multiple regression equation for this variable **“CSR Practices”** is greater than 1 and is:

$$\beta_2 = .856X15A + .828X16A + .708X15B + .639X16B \dots\dots\dots (ii)$$

So, from the above findings it can be concluded that employee’s perception on CSR ( $EP_{CSR}$ ) depends on two factors namely, “**Benefits of CSR**” and **“CSR Practices”**.i.e.

$$EP_{CSR} = \beta_1 + \beta_2$$

**Customers’ Perception Study on the CSR Practices of Select Bank Branches in Kolkata**

**Primary data**

The required Primary Data has been collected from first-hand experience through primary data by preparing structured questionnaire comprising of Open-ended and Closed-ended questions. This survey consists of demographic questions in the beginning, dichotomous and multiple-choice questions in the middle, 5-point Likert Scale questions, and finally open question where respondent could write suggestions or opinions. The primary data is collected with the help of convenience sampling from **14** public sector banks and **8** private sector bank customers through personal connection. Structured questionnaire (physically and online) was sent to all the customers of **442** number of branches but only **2341** properly filled up questionnaire were received from the respondents.

**Data collection period**

The broad period of primary data collection using the structured questionnaire is from November, 2022 to April, 2023, approximately 06 months.

**Factor interpretation based on Exploratory Factor Analysis on Customers’ Awareness on CSR activities of select sample banks**

The value of **KMO is 0.941** which is higher than 0.5 indicates that the sample is adequate for carrying out factor analysis and has sufficient items for each factor.

Similarly, the control of **Sphericity (Bartlett’s sig < 0.001)** indicates that EFA can be carried out as because the correlation matrix is different from an identity matrix and correlations between variables are not zero.

**Principal Component Analysis (PCA)** is a method of reducing large number of variables into smaller number of factors and at the same time preserving most of the statistical information. In order to carry out Principal Component Analysis to identify the factors which have an effect on perception study of the sample select respondents regarding the customers’ perception on impact of CSR practices by select bank branches in Kolkata, , it’s evident that **twelve (12) variables are extracted into two (2) exploratory factors which explain 64.192% of the total variance.**

**a) Factor 1:**

The first exploratory factor with nine variables is named as **“Importance of CSR”**.



For the variable "**Importance of CSR**" which has a value greater than 1, the multiple regression equation is as follows:

$$\beta_1 = .643X18 + .766X19 + .803X20 + .680X22 + .680X23 + .824X24 + .769X25 + .710X26 + .680X27 \dots\dots\dots (i)$$

**b) Factor 2:**

The second exploratory factor with two variables is named as "**Economic impact**".

For the variable "**Economic impact**" which has a value larger than 1, the multiple regression equation is as follows:

$$\beta_2 = 0.830X16 + 0.863X21 \dots\dots\dots (ii)$$

So, from the above findings it can be concluded that the impact of CSR on customers' awareness (CA<sub>CSR</sub>) depends on two factors namely "**Importance of CSR**" and "**Economic impact**" i.e.

$$CA_{CSR} = \beta_1 + \beta_2$$

**Factor interpretation based on Exploratory Factor Analysis on Customers' Perception on CSR activities of select sample banks**

The value of **KMO** is **0.941** which is higher than 0.5 indicates that the sample is adequate for carrying out factor analysis and has sufficient items for each factor.

Similarly, the control of **Sphericity (Bartlett's sig < 0.001)** indicates that **EFA can be carried out** as because the correlation matrix is different from an identity matrix and correlations between variables are not zero.

**Principal Component Analysis (PCA)** is a method of reducing large number of variables into smaller number of factors and at the same time preserving most of the statistical information. In order to carry out Principal Component Analysis to identify the factors which have an effect on perception study of the sample select respondents regarding the customers' perception on impact of CSR practices by select bank branches in Kolkata, , it's evident that **fifteen (15) variables are extracted into three (3) exploratory factors which explain 68.690% of the total variance.**

**a) Factor 1:**

The first exploratory factor, "**Customer engagement**" has six variables.

For the variable "**Customer engagement**" which has a value greater than 1, the multiple regression equation is as follows:

$$\beta_1 = .783X46 + .744X47 + .729X48 + .727X45 + .680X44 + .602X49 \dots\dots\dots (i)$$

**b) Factor 2:**

The second exploratory factor with four

variables is named as "**Customer satisfaction**".

For the variable "**Customer satisfaction**" which has a value greater than 1, the multiple regression equation is as follows:

$$\beta_2 = .789X42 + .735X52 + .658X50 + .635X51 \dots\dots\dots (ii)$$

**c) Factor 3:**

The third exploratory factor with four variables is named as "**Improvement in perception of CSR**".

The variable "**Improvement in perception of CSR**" has a multiple regression equation that is greater than 1:

$$\beta_3 = .765X55 + .735X56 + .702X54 + .613X53 \dots\dots\dots (iii)$$

So, from the above findings it can be concluded that the customers' perception on CSR (CP<sub>CSR</sub>) depends on three factors namely "**Customer engagement**", "**Customer satisfaction**" & "**Improvement in perception of CSR**"

i.e.

$$CP_{CSR} = \beta_1 + \beta_2 + \beta_3$$

**Qualitative Research and Garrett Ranking**

After completing the Exploratory Factor Analysis on employees' perception on CSR activities in banking sector with primary data collected from **905** respondents and customer' perception on CSR activities in banking sector with primary data collected from **2341** respondents, we found the total of **7** exploratory factors, comprising of **2** factors from the employees' perception on CSR activities in banking sector out of **21** variables and **2** factors from the customer' perception on CSR activities in banking sector out of **12** variables and again **3** factors from the customer' perception on CSR activities in banking sector out of **15** variables.

So, the final factors coming out are: -

- 1) *Importance of CSR (F1)*
- 2) *Economic impact (F2)*
- 3) *Customer engagement (F3)*
- 4) *Customer satisfaction (F4)*
- 5) *Improvement in perception of CSR (F5)*
- 6) *Benefits of CSR (F6)*
- 7) *CSR Practices (F7)*

Here, we found the limitations of quantitative research because the exploratory factors were named only, but how much they impacted the perceptions of stakeholders of banks could not be found out properly. For that purpose, we switched over to qualitative research involving some common factors & common

respondents. We used focus group discussion with time scale modified approach, where we asked the respondents to rank the factors in an unbiased manner. Finally, we identified 55 common respondents and asked them to rank these factors. After that we used Garrett Ranking Method. From the Statistical Garrett Ranking, we can easily see that 55 respondents gave:

1. 'Benefits of CSR' is given the highest rank i.e. Rank -1 (i.e., 63.4727%),
2. 'Importance of CSR' is given Rank -2 (59.4%),
3. 'Economic impact' is given Rank - 3 (56.1818%),
4. 'Improvement in perception of CSR' is given Rank - 4 (54.3273%),
5. 'Customer satisfaction' is given Rank - 5 (45.7455%),
6. 'CSR Practices' is given Rank - 6 (33.9818%),
7. 'Customer engagement' is given Rank - 7 (33.8909%)

**CONCLUSION**

The data collected during the study period has been analyzed using Principal Component Analysis and Garrett Ranking

**Table 1: Comparative Analysis of Rank Identified Under Principal Component Analysis and Garrett Ranking Method**

Factor	Principal Component Analysis		Garrett Ranking Method	
	Value	Rank	Value	Rank
<b>Benefits of CSR (F6)</b>	<b>9.949</b>	<b>1</b>	<b>63.4727</b>	<b>1</b>
CSR Practices(F7)	1.417	4	33.9818	6
Importance of CSR(F1)	6.551	3	59.4	2
Economic impact(F2)	1.152	6	56.1818	3
Customer engagement(F3)	7.997	2	33.8909	7
<b>Customer satisfaction(F4)</b>	<b>1.263</b>	<b>5</b>	<b>45.7455</b>	<b>5</b>
Improvement in perception of CSR(F5)	1.043	7	54.3273	4

(Source: Author's own Tabulation)

From the above table we can easily see that

-

**1. As per Principal Component Analysis**

- 'Benefits of CSR' is given the highest rank i.e. Rank - 1(9.949)
- 'Customer engagement' is given Rank - 2(7.997)
- 'Importance of CSR' is given Rank - 3(6.551)
- 'CSR Practices' is given Rank - 4(1.417)
- 'Customer satisfaction' is given Rank - 5(1.263)
- 'Economic impact' is given Rank - 6(1.152)
- 'Improvement in perception of CSR' is given Rank - 7(1.043)

**2. As per Garrett Ranking Method**

- 'Benefits of CSR' is given the highest rank i.e. Rank - 1 (i.e., 63.4727%),
- 'Importance of CSR' is given Rank - 2 (59.4%),
- 'Economic impact' is given Rank - 3 (56.1818%),
- 'Improvement in perception of CSR' is given Rank - 4 (54.3273%),
- 'Customer satisfaction' is given Rank - 5 (45.7455%),
- 'CSR Practices' is given Rank - 6 (33.9818%),
- 'Customer engagement' is given Rank - 7 (33.8909%)

3. The table showing a Comparative Analysis of Rank identified under Principal Component Analysis and Garrett Ranking Method which clearly shows that 'Benefits of CSR' is given the highest rank i.e. Rank-1 in both Principal Component Analysis and Garrett Ranking Method with values 9.949 and 63.4727% respectively.

Thus it can be said that 'Benefits of CSR' is the most important factor influencing Stakeholders' Perception on CSR practices in the Banking Sector.

4. Thus, finally it can be concluded that the arrangement of ranks as evolved through Garrett Ranking Method can be of practical importance to decision makers & policy planners.

However, in the present regulation of the bank namely, Banking Regulation Act, no provision is there for the banks for the compulsion of CSR activities just like that being mandated in the Companies Act, 2013

and 2020 and therefore, the only engagement in CSR activities by the banks is voluntary. The researcher through this perception study wants to highlight the benefits of CSR as influenced by stakeholders' perception so that the policy makers of the public and private banks could think about the compulsion to set CSR parameters and benchmark for public and private sector banks to stop manipulating and window-dressing CSR data which does not really affect the actual stakeholders like the listed companies, as there is no compulsion of fund allocation and utilization for CSR.

## REFERENCES

### Books

1. *BUSINESS & SOCIETY*, Vol. 38 No. 3, September 1999 268-295 © 1999 Sage Publications, Inc.
2. B. Sujatha (2006), *Social Audit: Concepts and Practices*, The ICFAI University Press, Hyderabad
3. *CSR Practices of Banking Finance Companies in India with special reference to new Companies Act 2013.pdf*
4. C.V. Baxi & Ajit Prasad (2005), *Corporate Social Responsibility - Concepts & Cases: The Indian Experience*, Excel Books, New Delhi
5. David Crowther & Renu Jatana (2005), *International Dimensions of CSR Vol. 1*, The ICFAI University Press, Hyderabad
6. Howard R. Bowen (1953), *Social Responsibility of Businessmen*, New York, USA
7. Keith Davis & Robert L. Blomstrom (1975), *Business & Society: Environment & Responsibility*, McGraw-Hill Kogakusha, Ltd, Tokyo
8. Neil H. Jacoby (1973), *Corporate Power and Social Responsibility*, Macmillan Publishing Co. Inc., New York, USA.
9. PJ Mathews (2012): *Making a Difference – CSR initiatives taken by NTP*.
10. AbaneSussana (2016), *Employee perceptions of corporate social responsibility (CSR) and organisational citizenship behaviours (OCB): a comparative Ghanaian*, University of Ghana <http://ugspace.ug.edu.gh>.
11. Ali Imran, Rehman Kashif Ur, Ali Syed Irshad, Yousaf Jamil and Zia Maria,(2010) *Corporate social responsibility influences, employee commitment and organizational performance*, *African Journal of Business Management* Vol. 4(12), pp. 2796-2801, 4 October, 2010
12. Başev Sinem Eyice (2016), *The effect of CSR on consumers' perception towards bank's image*, *Online Journal of the Faculty of Communication Sciences*, June 2016, Volume:24Numer:2 ISSN-1309-3487
13. Butcher Rojanasak Chomvilailuk Ken (2010) , *Enhancing brand preference through corporate social responsibility initiatives in the Thai banking sector*, *Asia Pacific Journal of Marketing and Logistics*, Vol. 22, Iss 3 pp. 397 – 418
14. Carroll, A. B. (1999): *Corporate Social Responsibility: Evolution of a Definitional Construct*, *Business and Society* 38, 268 – 295.
15. Changchutoe Natta, (2012), *Employees' Perceptions and Expectations toward Corporate Social Responsibility: A Case Study of Private Company Employees in Bangkok Metropolitan Area*, *International Journal of Economics and Management Engineering* Vol:6, No:11, 2012.
16. Freeman, R. E. (1994): *The politics of Stakeholder Theory: Some Future Directions*, *Business Ethics Quarterly* 4 (4), 409 – 429.
17. Friedman, M. (1970): *The Social Responsibility of Business is to Increase its Profits*, *The New York Times Magazine* 33, 122 – 126.
18. Godfrey, P. C. (2005): *The Relationship between Corporate Philanthropy and Shareholder Wealth: A Risk Management Perspective*, *Academy of Management Review* 30 (4), 777 – 798.
19. Griffin, J. J. (2000): *Corporate Social Performance: Research Directions for the 21<sup>st</sup> Century*, *Business and Society* 39 (4), 479 – 493.

20. Hinson Robert Ebo, Renner Anne and Zyl Helena van (2016), *Bank customers' preferences and responses to Corporate Social Responsibility (CSR) initiatives in Ghana*, *African Journal of Business Ethics*, Vol. 10 No. 1, September 2016, 1-18
21. Pomeroy Alan and Dolnicar Sara (2007), *Consumer response to corporate social responsibility initiatives: an investigation of two necessary awareness states*, <https://ro.uow.edu.au/commpapers/422> University of Wollongong
22. Paramasivan, C., & Savarimuthu, S. (2015). *Corporate Social Responsibility of Bhel with Respect to Tiruchirappalli*. *International Journal in Commerce, IT & Social Sciences (IJCISS)* Vol, 2.
23. Soni Deepali and Mehta Pooja, (2018), *Employee engagement in corporate social responsibility (CSR): Reflection from Indian banking sector*, *Journal of Strategic Human Resource Management* Volume 7 Issue 2, June 2018
24. Zheng Dan, (2010), *The Impact of Employees' Perception of Corporate Social Responsibility on Job Attitudes and Behaviors: A Study in China*, [https://ink.library.smu.edu.sg/etd\\_coll/72](https://ink.library.smu.edu.sg/etd_coll/72).
- Websites**
25. <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.390.6989&rep=rep1&type=pdf>
26. <https://onlinelibrary.wiley.com/doi/abs/10.1111/j.1540-5842.2006.00787.x>
27. [https://www.researchgate.net/publication/282746355\\_A\\_History\\_of\\_Corporate\\_Social\\_Responsibility\\_Concepts\\_and\\_Practices](https://www.researchgate.net/publication/282746355_A_History_of_Corporate_Social_Responsibility_Concepts_and_Practices)
28. [http://www.scirp.org/\(S\(351jmbntvnsjtIaadkposzje\)\)/reference/ReferencesPapers.aspx?ReferenceID=1910012](http://www.scirp.org/(S(351jmbntvnsjtIaadkposzje))/reference/ReferencesPapers.aspx?ReferenceID=1910012)
29. [http://www.scirp.org/\(S\(czeh2tfqyw2orz553k1w0r45\)\)/reference/ReferencesPapers.aspx?ReferenceID=2006021](http://www.scirp.org/(S(czeh2tfqyw2orz553k1w0r45))/reference/ReferencesPapers.aspx?ReferenceID=2006021)