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Editors: Dr. Sanjib Kumar Basu & Dr. Sumanta Dutta

Message from Fr. the Principal

It gives me immense pleasure to present Volume V of the edited book series titled Anveshan (अन्वेषण) brought out by the Postgraduate and Research Department of Commerce (M. Com). This volume is a testament to the department's sustained commitment to fostering rigorous, relevant, and impactful research in the domain of commerce and management. As a matter of further advancement in commerce education, this initiative, unique in the sense, will inspire our young postgraduate students to undertake impactful research with social relevance.

The present volume comprises 15 scholarly papers, thoughtfully curated to represent a balanced integration of qualitative, quantitative, and case-based research methodologies. What is particularly commendable about this volume is its emphasis on exploring the wider dimensions of research, encouraging interdisciplinary thinking and evidence-based insights.

I appreciate the relentless efforts of the editors and contributors whose intellectual dedication and scholarly discipline have ensured the successful completion of this volume. I also acknowledge the Postgraduate and Research Department of Commerce (M. Com) for nurturing a vibrant research culture and promoting scholarly publications that add value to the academic community.

I am confident that Volume V of this edited book series will serve as a meaningful resource and inspire further research, innovation, and collaboration in the field of commerce.

With best wishes for its wide reach and academic impact.

Nihil Ultra
Rev. Dr. Dominic Savio, SJ
Principal
St. Xavier's College (Autonomous), Kolkata

Message from Fr. Vice Principal

I am delighted to compose this message for Volume V of the edited book series entitled Anveshan (अन्वेषण), published by the Postgraduate and Research Department of Commerce (M. Com). This volume exemplifies the department's unwavering commitment to academic excellence and significant research contributions.

The book features 15 thoroughly researched papers, employing a careful blend of qualitative, quantitative, and case-based research methodologies. This methodological diversity facilitates the examination of intricate business and economic issues from various viewpoints, thereby capturing the broader aspects of contemporary research. The contributions not only exhibit scholarly rigor but also tackle practical relevance, rendering the volume beneficial to academicians, researchers, and practitioners. Such methodological plurality enables the exploration of complex business and economic issues from multiple perspectives, thereby reflecting the wider dimensions of contemporary research.

A notable strength of this volume is its publication with a Digital Object Identifier (DOI), which guarantees improved visibility, accessibility, and long-term academic credibility of the research work. This initiative represents a crucial advancement in aligning the department's research output with international publishing standards.

I congratulate the editors for their diligent efforts and the contributors for their intellectual dedication. I am confident that this volume will act as a valuable academic resource and stimulate further scholarly exploration.

I wish the editors and contributors all the success and wish for a broader academic influence of this publication.

Nihil Ultra
Rev. Dr. Peter Arockiam SJ
Vice Principal, Commerce (Evening)
St. Xavier's College (Autonomous), Kolkata
West Bengal, India.

Editorial

It gives us great pleasure to present Volume V of the edited book series titled Anveshan (अन्वेषण) published by the Postgraduate and Research Department of Commerce (M. Com), an academic initiative that was formally launched in the year 2021 with the objective of promoting quality research and scholarly writing among postgraduate and research scholars.

This volume comprises 15 carefully selected papers, which are refined versions of some of the best postgraduate dissertations, thoughtfully converted into publishable research articles. The contributions reflect a rich blend of qualitative, quantitative, and case-based research methodologies, capturing the wider dimensions of contemporary research in commerce, management, and allied disciplines. Such methodological diversity enhances the analytical depth of the volume and encourages a holistic understanding of real-world business and economic issues.

Each paper has undergone a rigorous editorial review to ensure academic rigor, originality, and relevance. The transformation of dissertations into articles not only strengthens students' research capabilities but also bridges the gap between classroom learning and scholarly publication.

Anveshan (अन्वेषण) volume V stands as a testimony to the department's sustained commitment to nurturing a vibrant research culture and encouraging young researchers to engage with critical inquiry. We sincerely acknowledge the support of the institution, contributors, reviewers and all those who have made this publication possible.

We hope this volume will serve as a valuable resource and inspire future research endeavours.

Editors
Sanjib Kumar Basu
Sumanta Dutta

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The Ouroboros of Political Finance in India: Impact of Electoral Bonds on Elections & Party Funding in West Bengal and the Corporate Powerplay

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Abstract

This study examines the changing dynamics of political funding in India, concentrating on the 2024 Lok Sabha elections in West Bengal, viewed through the lens of the contentious electoral bond scheme. Launched in 2017 and later ruled unconstitutional, the program permitted anonymous contributions to political parties, sparking worries regarding transparency and corporate control. Utilizing ten years of data, the study employs a quantitative and exploratory methodology to evaluate how these connections transformed party finances, affected electoral results, and served corporate donors. Results indicate that the governing Bharatiya Janata Party (BJP) experienced notable financial benefits after the implementation of electoral bonds, whereas opposition parties displayed varied or negligible shifts. Statistical analysis reveals two main factors influencing electoral success in West Bengal: previous incumbency and campaign expenditures.

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1. *This dissertation was done by the scholar under the guidance of Prof. Ankita Samanta.*

From a corporate perspective, significant contributors, especially in heavily regulated industries like telecommunications, infrastructure, and pharmaceuticals, seemed to experience enhanced cash flows, increased revenue, and better access to debt, indicating a transactional connection between business and politics.

Linking financial patterns with political results, the research provides new perspectives on the dynamics of contemporary electoral impact. It ends by calling for enhanced accountability, improved oversight from the Election Commission, and a completely digitized political funding system to safeguard the integrity of democracy in India.

Keywords: *Corporate Donors, Campaign Expenditure, Electoral Bonds, Political Funding.*

INTRODUCTION

India's identity as a sovereign democracy is anchored in its longstanding electoral tradition. Following the adoption of the Constitution of India on January 26, 1950, the nation advanced toward a democratic framework through the establishment of the Election Commission of India, which was assigned the substantial responsibility of administering the first general election and all subsequent polls. Although elections in India have become relatively free and fair over the past twenty-five years, the political landscape still remains opaque (Sridharan & Vaishnav, 2018). Expenditure for the 2024 General Elections reached an astonishing $16.5 billion, surpassing the $14.4 billion spent during the 2020 US Elections (India Today, 2024). Commonly recognized sources of income include Bank Interest, Membership Fees, Sale of Assets or Publications, and Voluntary Donations above ₹20,000, while miscellaneous funding arises from Relief Funds, Coupon Sales, and Undisclosed Company Donations. This category of undisclosed contributions was recently reduced after the Supreme Court struck down the Electoral Bonds scheme—introduced by the Bharatiya Janata Party in 2017—as unconstitutional, as it enabled donors to buy and contribute interest-free, tax-exempt bonds from the State Bank of India to any political party, which could then redeem them for cash, thereby creating entirely new dynamics. Corporations with close ties to those in power often enjoy preferential access to credit and improved avenues for managing their economic activities (Hussain & Tyagi, 2024). As elections in India continue to expand in scale, the need for a robust legal and judicial architecture capable of rigorously evaluating political practices becomes critical to safeguarding the integrity of the nation's electoral framework.

This study is motivated by the need to interpret the disclosures released by the State Bank of India in March 2024 and seeks to examine how electoral bonds influenced the financial position of political parties, including whether the ruling party gained further advantage while others were left comparatively disadvantaged, particularly in West Bengal, a state unfortunately marred by corruption. It aims to identify key determinants shaping electoral results and

to assess whether funding from these formerly anonymous electoral bonds has contributed to rising election-related spending. The study also investigates the mutually reinforcing relationship between conglomerates and political parties, which may explain the increased debt-carrying capacity of such corporate entities. Ultimately, the research intends to broaden existing scholarship on political financing and corporate debt financing linked to political affiliations, while offering insights of potential value to policymakers and legislators engaged in developing updated regulatory frameworks.

LITERATURE REVIEW

A growing body of literature has critically examined the interplay between political financing, public sector governance, and corruption across different geopolitical contexts. Lassou et al. (2024) investigate the Ghanaian political economy, revealing how escalating election and political financing costs have transformed public procurement into a vehicle for monetization and rent-seeking. Similarly, Tawfik et al. (2024), using empirical data from the Gulf Cooperation Council, find a strong positive association between political connections and corporate financing decisions, particularly in internal financing and cash holdings, suggesting political ties significantly influence firm behaviour. Ananda (2023) offers a legal critique of India's electoral bond scheme, arguing that it fosters opacity, facilitates the rise of anonymous or fake donors, and creates systemic loopholes for political exploitation. In the context of Malawi, Mapulanga et al. (2022) conduct a comparative analysis of access-to-information legislation, concluding that while the Political Parties Act restricts public funding of parties, the Access to Information Act enhances citizen oversight through institutional transparency. Finally, Azmi and Zainudin (2021) explore Malaysia's political landscape, identifying political donations, bribery, and money politics as primary conduits for corruption.

RESEARCH GAP

From the reviewed literature, we have found that much research has been done on:

1. How, globally, money sourcing out of corporations and oligarchs has played a huge part in the funding of election campaigns, which then ultimately led to a rise in corruption.

2. How most of the work pertaining to the introduction and effect of electoral bonds in India as a source of financing has been done so, from a qualitative and legal standpoint, due to the anonymous nature of such an instrument.

We have noticed that very few investigative research works have been conducted to identify the role of political finance and connections on the financial health of the participating political parties or its potential influence on the electoral results and whether or not, the presence of a transactional relationship between corporates and political parties improve the former's debt financing or revenue generation capacity, from the context of India or West Bengal thus, leaving behind empirical and geographical gaps.

RESEARCH QUESTIONS

a) What all factors influenced the 2024 Lok Sabha election outcome in West Bengal?

b) How did electoral bonds affect the key financials of political parties predominant in West Bengal?

c) What impact did the purchase of electoral bonds have on the financial indicators of major corporate donors?

RESEARCH OBJECTIVES

a) To identify the factors affecting the 2024 Lok Sabha election outcome in West Bengal.

b) To assess the influence of electoral bonds on the relevant financials of political parties predominant in West Bengal.

c) To study the role of the purchase of electoral bonds on certain financials of major corporate donors.

RESEARCH METHODOLOGY

Nature of the Study

To support the proposed objectives, the study primarily employs quantitative techniques. The study will be of a longitudinal, descriptive nature with an exploratory component, which will enable us to observe shifts in funding patterns over time, providing vital insights into how the conception of the electoral bonds scheme may have influenced the party's financial health and its subsequent success.

Period of the Study

The data collected to assess the financial impact on the political parties encompasses a period of 10 years, 5 years before and 5 years post the introduction of the Electoral Bond scheme. A 12-year time frame has been applied to evaluate the donor companies based on the accessibility of relevant data. The data collected to assess the functionality of funds & other electoral aspects on electoral outcomes is based on the study of election expenditure and the final result of the Lok Sabha Elections, held in 2024. Secondary data was made available by the Election Commission of India, the Association for Democratic Reforms, and the financial disclosures of the corporations involved in bond donations through their official channels.

Sampling Method

The study, with the use of the Purposive or Judgmental Sampling method, chooses political parties that have a significant role to play in West Bengal's political setting on the basis of their respective vote share. A Stratified Purposive Sampling method has been used to select the leading donors from each of the biggest contributing sectors towards the Electoral Bonds Scheme.

Sample Size

The study collects data from 127 different candidates fighting for power in 42 different constituencies while representing the 4 major political parties relevant to the state of Bengal and 5 listed corporations across varied industries contributing to these parties.

Research Tools

The use of MS Excel and IBM SPSS software helped to provide a quantitative analysis of the collected data. Line Graphs, Paired T-Tests, Wilcoxon Signed-Rank Tests (Based on Normality), and Binary Logistic Regression are the operations applied. Their findings were used to provide viable answers to the proposed research questions.

DATA ANALYSIS & INTERPRETATION

The Identification of the Factors Affecting the 2024 Lok Sabha Election Outcome in West Bengal

Table 1: Goodness of Fit of the Binary Logistic Model

-2 Log likelihood	Nagelkerke R Square	Sig. (Hosmer and Lemeshow Test)
79.646	0.659	0.763

The observed value of the Nagelkerke R Square is .659, which means that the model explains 65.9% of the variability of the data, and the -2 Log likelihood is 79.646% both of which are more than 50%. This suggests that the model is acceptable as a higher value indicates a better fit (preferably > 0.5). The Hosmer and Lemeshow test indicates a poor fit if the significance value is less than 0.05. Here, the model perfectly fits the data as the observed significance value is 0.763.

Table 2: Variables in the equation

Independent Variables	B	Sig.	Exp(B)
In_Power	2.636	**0.001**	13.964
Change_Candidate	-0.977	0.232	0.377
Age	0.016	0.527	1.016
Gender	0.086	0.910	1.090
Years_of_Education	0.030	0.778	1.030
Criminal_Cases	-0.057	0.218	0.945
Net_Assets (in lakhs)	0.000	0.598	1.000
Expenditure (in lakhs)	0.057	**0.000**	1.059
Constant	-5.065	0.044	0.006

Estimated Equation: $\hat{Y}_i = -5.065 + 2.636X_1{}^* - 0.977X_2 + 0.016X_3 + 0.086X_4 + 0.030X_5 - 0.057X_6 + 0.000X_7 + 0.057X_8{}^*$

Where * indicates the significance of an independent variable at the 5% level of significance

Yi, the dependent variable, is equal to 1 if the election outcome is positive and 0 if otherwise; i = 127. βj, where j ranges from 1 to 8, represent the regression coefficients of the eight independent variables. Here, the prior status of power and the expenditure made by the political party on the candidate/constituency are the only significant variables, as their significance value is 0.001 and 0.000, respectively, both of which are less than 0.05, thus making them statistically significant. The marginal effects for these variables are given by the Exp(B) column. If there is a unit of increase in either of the two significant variables, the probability of a positive election outcome increases by 13.964 units due to the existing reign of power in that particular constituency and by 1.059 units due to the expenditure made by the candidate and their party on that said seat.

Assessment of the Influence of Electoral Bonds on The Relevant Financials of Political Parties Predominant in West Bengal

Paired-T Test (Sig.)				
Ratios	Party Name			
	BJP	TMC	INC	CPI(M)
QR	0.024	NA	0.05	NA
CDR	0.004	0.096	0.002	0.313
CFR	0.036	0.205	0.028	0.292
OER	NA	NA	0.112	0.399

Wilcoxon Signed-Rank Test (Sig.)				
Ratios	Party Name			
	BJP	TMC	INC	CPI(M)
QR	NA	0.5	NA	0.225
CDR	NA	NA	NA	NA
CFR	NA	NA	NA	NA
OER	0.043	0.345	NA	NA

Party Name	Ratios	Mean Before EB	Mean After EB	Median Before EB	Median After EB
BJP	QR	64.61	589.01	--	--
	CDR	0.39	0.84	--	--
	CFR	0.5	2.22	--	--
	OER	--	--	1.92	0.4
AITMC	QR	--	--	2.57	45.3
	CDR	0.42	0.8	--	--
	CFR	2.75	1.21	--	--
	OER	--	--	1.29	0.13
INC	QR	27.45	8	--	--
	CDR	0.19	0.57	--	--
	CFR	1.98	0.81	--	--
	OER	2.7	0.97	--	--
CPI(M)	QR	--	--	133.56	53.85
	CDR	0.4	0.47	--	--
	CFR	2.64	2.96	--	--
	OER	0.35	0.26	--	--

Table 3: Output generated using SPSS 23 concerning Paired T-Test, Wilcoxon Signed-Rank Test & Descriptive Statistics

The general hypotheses for each of them are as follows:

1. **Quick Ratio:** H_0 = There is no significant change; H_1 = There is a significant change: The Null hypothesis is rejected for BJP & INC and accepted for TMC & CPI(M)

2. **Contribution Dependency Ratio:** H_0 = There is no significant change; H_1 = There is a significant change: The Null hypothesis is rejected for BJP & INC and accepted for TMC & CPI(M)

3. **Cash Flow Ratio:** H_0 = There is no significant change; H_1 = There is a significant change: The Null hypothesis is rejected for BJP & INC and accepted for TMC & CPI(M)

4. **Operational Efficiency Ratio:** H_0 = There is no significant change; H_1 = There is a significant change: The Null hypothesis is rejected for BJP and accepted for TMC, INC & CPI(M)

While the occurrence of change can be inferred from the aforementioned hypotheses, the level of change can be observed from the mean and median of each ratio for each of the four parties based on the normality of the data. The study finds that the ruling party at the centre benefits the most from the Electoral Bonds scheme, as all of the BJP's financials witness a significant jump, as opposed to the declining contemporaries of the INC. The AITMC, albeit not experiencing a statistically significant influence from the said bonds, did in fact show an increment in the respective financial ratios but on the other hand the CPI(M) remained indifferent throughout since they refused to actively participate in this proposition.

Study of How the Purchase of Electoral Bonds Might Have Affected the Financials of Certain Corporate Donors

A large number of private enterprises from across industries donated a fair share of money to the country's major political parties through the electoral bond scheme. This is illustrated clearly in the picture below:
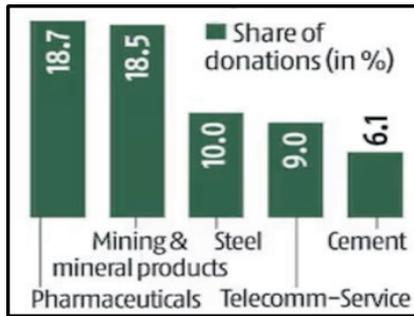
Figure 1: Top Bond Donors, Sector-Wise

Upon observation of the aforementioned graphic, we can say that the highest bidders primarily belong to the country's most regulated sectors, such as pharmaceuticals, steel, telecom, and infrastructure. According to published data, Natco Pharma, Vedanta Ltd., Jindal Steel & Power, Bharti Airtel, and Ultratech Cement are at the forefront of each of these sectors amongst all the listed companies.
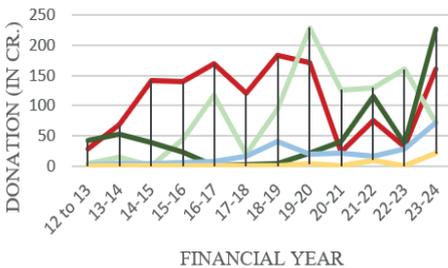
Figure 2: Donations made

Figure 3: Income Generated
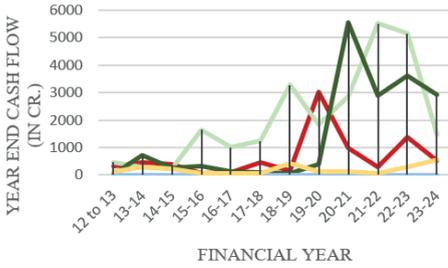
Figure 4: Cash Flow Generated

Figure 5: Debt Generated
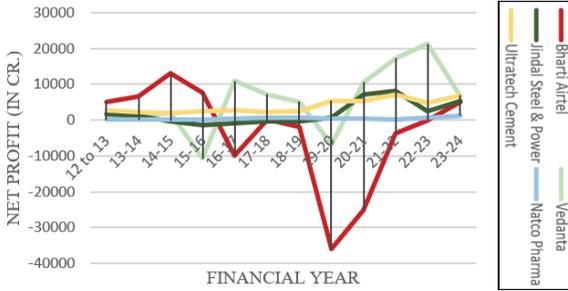
Figure 6: Profit Generated

The graphs suggest that most of them have enjoyed the benefits of debt financing, increased revenue, net profit, and cash flow after the bonds became operational in 2018. Dips in cash flow have been observed during election periods, which could be a result of such political contributions. The Bharti Group has ended up as the 6th highest donor with donations amounting to approximately Rs. 250 cr., while being in a state of loss for 5/6 financial years following the advent of the scheme, and was able to secure huge amounts of debt, regardless.

CONCLUSION

This study sought to determine the variables that shaped the election outcome in West Bengal. It further examined the relationship between political parties and major corporations through an analysis of electoral bond data, exploring how the use of this instrument may have influenced the financial positions of both participating entities. Elections have become the primary metric for evaluating India's democratic health, a responsibility that carries significant and complex costs. Contemporary politicians—both aspiring and incumbent—often perceive that even after attaining the coveted seat of power, they must rely on unethical financial and non-financial practices to retain it (Vaishnav, 2017). Our findings indicate that this perception is indeed reflective of the realities surrounding the 2024 general elections in Bengal, as candidate and party expenditure emerged as a decisive factor in determining electoral outcomes across constituencies.

While such spending may secure victory, fulfilling the duties of the office is essential for sustaining it. The study suggests that voters primarily placed their

trust either in the ruling government or in incumbent candidates. Consequently, politicians are faced with a choice: earn public confidence through diligent performance or attempt to buy influence through heavy spending—regrettably, many opt for the latter at the expense of the former. The opaque structure of political finance prevents meaningful scrutiny, and even when insight is possible, it reveals only a fraction of the underlying complexity.

Additionally, the recently released data on electoral bond purchases and redemptions provided insight into the importance of this mechanism for both purchasing corporations and recipient political parties. The findings show that the scheme substantially benefitted the ruling BJP, enabling it to secure large volumes of funding, followed by other major national parties, thereby boosting their financial strength. As for most of the selected prominent listed private enterprises that purchased these bonds, an examination of their annual reports revealed enhanced organizational performance, increased revenue, stronger cash flows, and expanded debt capacity—indications of growing corporate leverage. Collectively, these developments highlight an expanding pattern of cronyism, further reinforcing the perception that integrity within the political arena is steadily eroding.

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2

Strategic Continuity and Market Positioning of Family-owned Businesses in India: A Case Study on Mohendra Dutt and Sons

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Abstract

Indian family-owned businesses have always been underrepresented in the context of strategic continuity and market positioning. Generally western literature has focussed on succession planning, leaving this area void. This research fills this gap by providing an in-depth analysis of Mohendra Dutt and Sons, a 142-year-old umbrella business which has stood the test of time to constitute a perfect case for this study. The research has used a qualitative case study-based approach with longitudinal analysis from 1882 – 2024. Data was collected mainly from secondary sources along with an in-person interview with the current CEO of the company – Mr. Subhasis Dutt. The study has found that Mohendra Dutt and sons has maintained strategic continuity with a focus on continuous innovation and quality enhancement. Each leader in the family lineage had played a significant role to sometimes protect, upgrade and modernise the business amidst feud, competition and troughs in business cycle.

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1   This dissertation was done by the scholar under the guidance of Dr. Sumanta Dutta.

The firm has managed to uplift its market position as a go to umbrella brand in East India by prioritizing durability over price. However, this research is limited by insufficiently available archival data and memory of the current owner. Future researchers are encouraged to conduct further investigations into the history to unravel secrets which this study could not incorporate due to the paucity of resources. The leadership approaches and operational challenges due to the changing socio-political landscape of Bengal is something which can enrich the literature on the current topic.

Keywords: *Family Business, Market Positioning, Strategic Continuity, Succession Planning.*
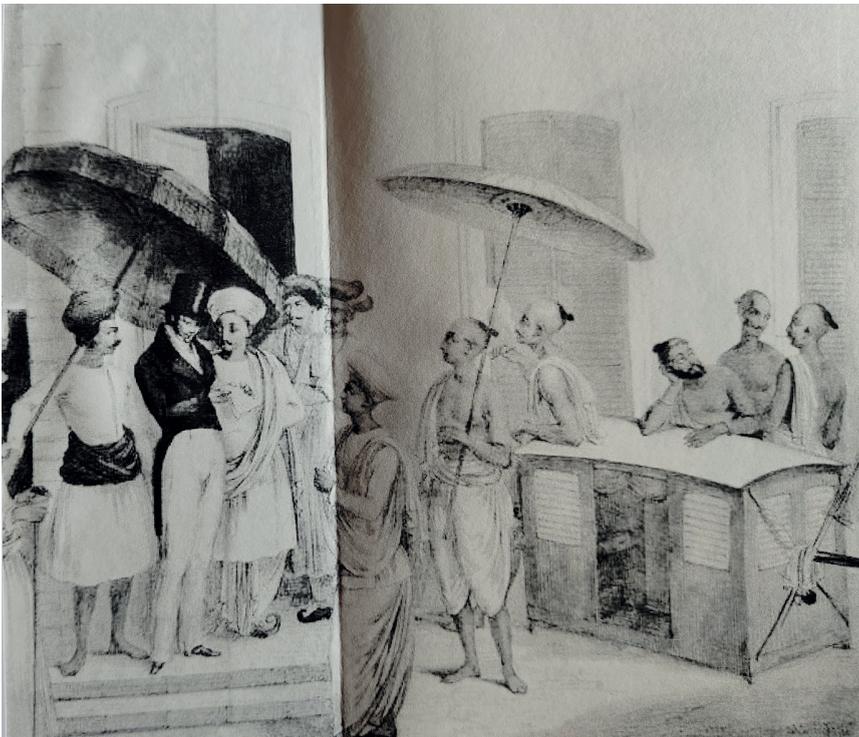
Figure 1.1: A pictorial representation of umbrella used by the aristocracy and the British.

Picture taken from the the book "Chata – koto rup e dekhi je tomay" by Haripada Bhowmik[2]

INTRODUCTION

Family-owned businesses form a major chunk of the world economy. The main characteristic of these businesses has always been intergenerational transfers,

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1   Bhowmik, H. (2024). *Chata koto rup e dekhi je tomay*. Dey Book House.

which includes not only the change of ownership but also the transfer of knowledge, values, and management practices across generations. To maintain continuity and sustainability in these businesses, proper implementation of these transfers is important (Lange et al., 2015; Kusuma & Indarti, 2015). According to the research paper by (Osnes et al, 2018) smooth handovers in family-owned businesses are possible only when successful diverse strategies are implemented successfully. (Moreno-Gené & Gallizo, 2021) depicted that the difference in generational knowledge can either improve or tarnish business performance. Small to medium enterprises have seen resistance to change and improper governance frameworks. It serves as a challenge in plans for succession. (Scott, 2014; Dawson & Parada, 2019).

This research studies this transfer of Mohendra Dutt and Sons in detail and contributes to the growing literature on family business sustainability.

LITERATURE REVIEW

Family-owned businesses constitute a major chunk of world economy, with intergenerational transfer of ownership and knowledge. If the transfers are successful, then their continuity and sustainability is ensured (Lange et al., 2015; Kusuma & Indarti, 2015). The succession process involves identification of successors, training and transfer of authority. Companies face lesser interruptions and higher survival rates when they employ organized, multi-year succession plan collaborated with incremental leadership responsibilities. (Dolar & Biloslavo, 2023). Since culture and tradition is a key component in intergenerational transfers, it is essential to transfer it effectively for the existence of family-owned businesses (Dolar & Biloslavo, 2023; Leib and Zehrer, 2018). The information which is transferred to the next generation must include both formal business knowledge, practical experience along with family history and narratives (Woodfield & Husted, 2017). The role of culture is also huge, as the companies adhering to culture form a tight knit family relationship and witness better transfers (Sharma, 2004). If diverse strategies are implemented and external managerial assistance is combined with internal leadership cultivation, then the handovers get smoother. (Osnes et al., 2018). A difference in generational knowledge in the transition phase can either improve or degrade the business performance. (Moreno-Gené & Gallizo, 2021). Young leaders with established business practices embrace technology and modern management frameworks, which can lead to better profitability. Small and medium enterprises often see a resistance to change which stands as a hindrance to succession planning, which can ultimately lead to business failure (Miller et al., 2003). Studies have been conducted across various countries, including U.S. family farms (Lange et al., 2015) , Indonesian SMEs (Kusuma & Indarti, 2015) , European manufacturing firms (Dolar & Biloslavo, 2023) , Portugal's furniture sector (Howorth & Ali, 2001) , and New Zealand's wine industry (Woodfield & Husted, 2017). Intergenerational transfers give family-owned businesses a competitive edge. Successfully navigating this process by ensuring the explicit transfer of values (Brannen, 2006) , motivating subsequent generations to undertake calculated

risks (Woodfield, 2012) , and strategically renewing the business (Németh et al., 2017) is fundamental to achieving long-term sustainability and success.

RESEARCH GAP

Though there are still major "data and knowledge gaps" especially in non-Western settings, the current literature on intergenerational transfers within family firms provides some insightful analysis of strategic continuity. With most studies, like those of (Lange et al.,2015) and (Bjuggren & Sund., 2001) focussing on Western businesses, Indian family businesses like Mohendra Dutt & Sons are "under-represented." Research has also mostly concentrated on "succession planning and knowledge transfer" (Dolar & Biloslavo,2023, Moreno-Gené & Gallizo,2021) while ignoring the complex ways by which companies preserve or change their market positions during generational transitions.

RESEARCH QUESTIONS

1. What are the key strategies and factors that aided Mohendra Dutt and Sons to maintain strategic continuity for 142 years?
2. How did the roles played by each leader in their generation helped the company achieve sustainability and achieve a strategic direction?
3. How has Mohendra Dutt and Sons successfully establish, defend and evolve its market positioning from 1882 to 2024?

RESEARCH OBJECTIVES

1. To find out strategic continuity in the family business of Mohendra Dutt and Sons.
2. To establish the phase wise important roles played by each leader during his/her tenure in Mohendra Dutt and sons.
3. To investigate the market positioning of Mohendra Dutt and Sons in the market from 1882-2024

RESEARCH METHODOLOGY

Data collection

This is exploratory case study-based research. We have referred to all the secondary sources available in the associated Indian as well as the foreign literatures. Additionally, we to gain an in-depth overview of the whole endeavour from the present owner of Mohendra Dutt & Sons (Subhasis Dutt) over an in-person interview.

Period of study

This is the first qualitative secondary resource-based case-modulated study that incorporates a longitudinal approach towards studying in-depth about Mohendra Dutt &Sons 1882 to 2024.

ANALYSIS AND INTERPRETATION

From the interview with Subhasis Dutt

Mohendra Dutt and Co started as a startup during the Swadeshi Andolan in 1882. Mohendra Dutt was a Pakhwaj instrumentalist in the Burdwan Rajbari. Today we talk about seed funding and venture capitalism, but at that time kingship from the ruler was one of the few sources of investment in a company.
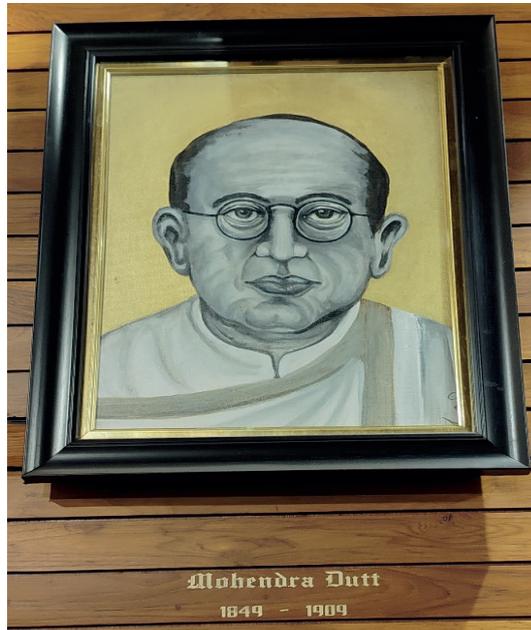
Figure 2: A portrait of Mohendra Dutt in the sales head office of the company

Source: clicked by the researcher during field visit.

At that time the Raja or the king was the Chhatrapati, and it meant that there was an umbrella over his head. The King of Burdwan had an umbrella which needed urgent repairs, and he could not afford to send that umbrella back to Britain to get the repairs done(umbrellas were manufactured in Britain and imported to India during the late 19th century). Mohendra Dutt, given his expertise successfully repaired the umbrella. The king was very pleased and offered him a sum of Rupees 5000 or 10000(the amount is very dubious), but it was enough for him to start his business with the seed capital. Umbrella was a symbol of aristocracy but also a necessity for the common man. Thus, he became the first person to set up a factory to manufacture umbrella in India. He started his business in Mahatma Gandhi Road, Kolkata.

Mohendra Dutt faced issues regarding sourcing of raw material, manpower etc. For growth to happen, survival was very important, therefore his survival instinct was more active than his growth instinct. He was a stern believer that

they would go slow but steady and establish the business strongly.

The latent demand made everyone start buying umbrella from Mohendra Dutt. After his demise there was a tussle, where one part of the family wanted to sell off the business to a Marwari gentleman and the other half i.e., his wife Radharani Devi wanted to keep the business and legacy going . The sell off happened and she moved the court, and she requested the honourable judge that the business is her husband's property, and she had right over it. As an intellectual property, she was granted the benefit of doubt, and the right of the business was transferred to her. She did not have the know-how, but she kept the goodwill of the business. She had an extreme passion for the business. Business for her was not a commodity but an emotion.

After the demise of Radharani Devi, her son Bhabani Charan Dutt took up the business. He was very young when Mohendra Dutt passed away, and after he had become a little older, he decided to join another umbrella company as an intern. He learned the tricks of the trade anonymously without revealing that he was a Mohendra Dutt's son. Then he came back and started the factory, got back a lot of workers. Like his father, he too had a survival instinct. But later, when he was at his prime, he extended the business all over India and made their company's umbrella and walking sticks popular. When his son, Ashutosh Dutt joined the business, India had gained independence. He became very close to Dr. Bidhan Chandra Roy(the then Chief Minister of West Bengal).

Figure 3: The statue of Ashutosh Dutt (Third generation of Mohendra Dutt and Sons). He played a key role in bringing the company in the limelight

Source: Clicked by the researcher during field visit

The family size grew but the income was constant. The needs of the family were not met. So, the members wanted a partition, they wanted the share of the business. The partition was a gruesome attack on the business. Ashutosh Dutta was an engineer and therefore he introduced new machinery into the business. He believed in the standardisation of products.

There were four strategies that he had proposed during the partition :

1. Purchases would have a single source and thus would reduce prices due to bulk and economies of scale.
2. There would be a common advertising pool.
3. Territorial division
4. Branding would be the same for everyone. Proprietor's name to be given in the subscript so that it could be easily identified that which store belonged to which family member.

None of the four suggestions were followed. The partition was badly done. Since quality game was followed by Mohendra Dutta and Sons, they survived. The others who followed the price game were badly affected because what mattered in the end was quality.

Kalinath Dutt took over the business and started innovating on various designs to compete against the cheap Chinese products that entered the market due to the LPG scheme of the government during 1991. They could not fight the price battle because the main goal of the company was quality.

During Kalinath Dutt's time, the company diversified into bags, rainwear etc. Therefore, the company became the first umbrella manufacturing company to start rainwear. To facilitate aesthetics the concept of "contrast piping" was introduced.

The current CEO, Subhasis Dutt wants the company to grow more into retail. Multi Brand Outlet (MBO) model is being followed by the company. Exclusive stores of just umbrellas or seasonal products will also be launched in the future in the form of smaller outlets. Online business is another dimension, but the game changer is quick commerce catering to the "use and throw" concept of the Gen Z.

MOHENDRA DUTT

Founder: 1882-1909

- Distinguished *Pakhwaj* instrumentalist
- Pioneer in the manufacturing of umbrellas in India at Mahatma Gandhi Road (formerly known as Harrison Road), Kolkata

FIRST WIFE and SONS (names undisclosed)

- Wanted to sell the brand
- Had disagreement with **Radharani Devi**

RADHARANI DEVI

Leader: 1909-1923

- She fought for long and successfully maintained the brand
- Continued the goodwill despite facing challenges from the other wife

ASHUTOSH DUTT(ONE OF THE 4 SONS OF BHAWANI CHARAN DUTT)

Leader: 1946-1986

He was an executive committee member of the Bengal National Chamber of Commerce and the Chairman of the Umbrella Merchants Association.

His three propositions:

a)Territorial Division – The entire company can be divided into four parts based on areas and allocated to separate sons to ensure that the brand value remains constant.

b) Joint Procurement Mechanism – There will be a common purchase for each territory to save money on bulk purchases.

c) Aggregated Advertising Pool –As a result, the brand's value cannot be compromised.

BHAWANI CHARAN DUTT

Leader: 1923-1946

- imported new machines and raw materials and made no compromises in maintaining the quality and standards of the product.
- Name changed from Mohendra Dutt to Mohendra Dutt and sons
- Major family feud. Had 4 sons who always wanted to be separated.

SUBHASIS DUTT (2015 – PRESENT)

Used his business acumen to introduce new technology, systems and networking.

KALINATH DUTT (LEADER: 1986-CURRENTLY WORKING WITH

Diversified into new products like rainwear, rubber products, travel backpacks and widening the products portfolio into various other travel accessories.

Figure 4: Family line of the leaders of Mohendra Dutt and Sons with their summarised contribution towards strategic continuity and market positioning.

Source: Created by the researcher.

Phase wise roleplay by key members – MLD Journey

Table 1 : Table showing phase wise role played by each leader

Name of the Owner	Tenure	Contribution to Strategic Continuity and Growth	Leadership Style
Mohendra Dutt	Late 1800s – early 1900s	Founded the business by identifying a niche in umbrella manufacturing; established the brand in Eastern India.	Pioneering and experimental; innovative problem-solver.
Radharani Devi	Early 1900s	Protected and sustained the business after Mohendra Dutt's death; ensured continuity by preserving the family legacy despite family disputes.	Determined and resilient; safeguarded the company's future through perseverance.
Bhabani Charan Dutt	1923 – mid-20th century	Expanded the business and rebranded it as 'Mohendra Dutt & Sons.' Implemented strategic changes for sustainability during his tenure.	Visionary and family-centric; focused on long-term brand sustenance.
Ashutosh Dutt	Mid-20th century	Proposed strategies like territorial division, joint procurement, and advertising to maintain brand value during family disputes.	Strategic and innovative but faced resistance from other family members.
Kalinath Dutt	Mid-20th century	Played a role in continuing family involvement in the business amidst internal disputes.	Supportive but limited in individual contributions compared to others.
Subhasis Dutt	Early 2000s – present	Focused on process improvements, semi-automation, digital transformation, and e-commerce. Embraced modern techniques while maintaining traditional values.	Balanced and adaptive; inclined towards innovation while preserving legacy.

Source – Created by researcher

CONCLUSION

Strategic foresight and adaptive business practises together with ethical business principles made Mohendra Dutt and Sons successful over time. Several vital business principles emerge from the company's history which provide useful instruction to managers and business leaders who work in family-owned enterprises.

Market success depends on the ability of businesses to update their operations yet preserve their traditional cultural heritage, so products remain authentic. The company Mohendra Dutt and Sons achieved their strategic equilibrium by integrating innovative designs along with new materials and partial automation into their operations while maintaining product excellence.

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3

NBFCs and Their Importance: A Study on Sustainability, Failures, and Success Strategies
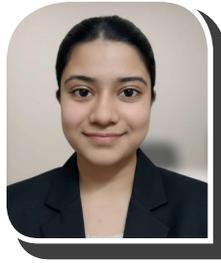
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Abstract

Non-Banking Financial Companies (NBFCs) have emerged as a critical pillar of India's financial system by serving customer segments traditionally underserved by banks, such as MSMEs, retail borrowers, transport operators, and rural markets. Their agility, innovative lending models, and ability to fill structural credit gaps have significantly contributed to financial inclusion and economic growth. However, the sector has recently faced considerable instability, highlighted by events such as the IL&FS and DHFL crises and the mass cancellation of NBFC licenses by the Reserve Bank of India (RBI) between 2022 and 2025. This contrast brings forth a pressing need to understand why many NBFCs failed while the top 15 Upper Layer NBFCs have continued to demonstrate resilience and sustainability.

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1. *This dissertation was done by the scholar under the guidance of Dr. Partha Pratim Ghosh.*

This study investigates the factors contributing to the failure of small and mid-sized NBFCs during 2022–2025 and analyses the strategies that enabled upper-layer NBFCs to remain stable under the RBI's Scale-Based Regulation framework. Through a combination of secondary data from RBI publications and primary data collected via a structured questionnaire administered to employees of the 15 Upper Layer NBFCs, the research identifies key determinants of success and failure. Findings reveal that failed NBFCs commonly suffered from governance gaps, poor asset-liability management (ALM), compliance violations, lack of technological investment, and concentrated exposure to high-risk sectors. In contrast, successful upper-layer NBFCs employed strong corporate governance practices, diversified loan portfolios, digital transformation, robust credit-risk modelling, and stable funding strategies. These institutions also maintained higher-quality capital buffers and adopted proactive regulatory compliance approaches. The study concludes that while NBFCs remain indispensable to India's credit landscape, their sustainability depends on sound governance, digital readiness, disciplined risk management, and adherence to prudential norms. The strategies adopted by upper-layer NBFCs offer a roadmap for strengthening weaker NBFCs, improving sectoral stability, and supporting long-term financial resilience.

Keywords: *Non-Banking Financial Companies, MSMEs, Asset-Liability Management.*

INTRODUCTION

Non-Banking Financial Companies (NBFCs) constitute one of the most vibrant segments of the Indian financial system. Over the past decades, they have emerged as critical intermediaries that complement and, in some segments, substitute traditional banking channels by providing credit to sectors underserved by banks. Their flexibility, lean structures, and ability to innovate quickly have contributed significantly to financial inclusion, especially among micro, small, and medium enterprises (MSMEs), retail borrowers, transport operators, infrastructure projects, and rural markets.

The importance of NBFCs in India has substantially grown since economic liberalisation. Their share in total credit has consistently increased as they cater to customers that often lack collateral or stable incomes—segments banks generally consider high-risk. However, the sector has also experienced periods of instability. Events such as the IL&FS crisis (2018), the DHFL collapse (2019), and the recent cancellations of several NBFC licenses by the Reserve Bank of India (RBI) highlight the fragility that can emerge from poor governance, weak asset-liability management (ALM), fraud, or excessive risk-taking.

At the same time, India's "Upper Layer NBFCs (NBFC-UL)"—as designated under the RBI's Scale-Based Regulation (SBR) framework—continue to perform strongly despite economic volatility, geopolitical uncertainty, and tightening

regulations. This contrast between failing NBFCs and the sustained progress of upper-layer NBFCs raises essential questions for researchers and policymakers. What differentiates their strategies? Why are many smaller NBFCs failing while the top 15 NBFC-UL remain resilient?

This dissertation seeks to examine these questions through a structured research study using both primary and secondary data sources. The period of analysis: Q3 of 2022–23 to Q3 of 2024–25 which covers significant regulatory and economic developments, including post-pandemic recovery, rising interest rate cycles, and the tightening of NBFC regulations.

The findings of this study aim to offer insights into sustainability strategies used by successful NBFCs and lessons that regulators and struggling NBFCs can adopt to strengthen the sector.

LITERATURE REVIEW

Historical Evolution of NBFCS in India:

The NBFC sector in India traces its origins back to the 1960s, when the need for alternative financing channels arose due to the inadequacy of the formal banking system in reaching diverse customer segments. Initially limited to hire-purchase and equipment leasing, NBFCs expanded to consumer finance, gold loans, microfinance, vehicle loans, and infrastructure financing by the early 2000s.

Major reforms, such as the RBI's prudential norms in the 1990s, the introduction of fair practice codes, and recent SBR frameworks, shaped the sector by imposing capital requirements, governance standards, and risk-based classification.

Studies highlight how NBFCs became integral to India's credit ecosystem by bridging gaps left by banks. However, they also emphasize weaknesses like high reliance on wholesale borrowing, limited risk buffers, and vulnerability to liquidity shocks.

Global Perspective on NBFCS

Globally, NBFC-like institutions—often referred to as "shadow banks"—play important roles in countries such as the United States (non-deposit lenders), China (trust companies), and Europe (credit funds). Research by the Financial Stability Board (FSB, 2023) shows that global shadow banking accounts for almost half of non-bank financial intermediation.

International experiences reveal similar patterns:

Strengths: flexibility, innovation, niche lending, and financial inclusion.

Weaknesses: inadequate regulation, contagion risk, and vulnerability to capital market fluctuations.

This global pattern mirrors India's NBFC issues, although the introduction of India's SBR framework has placed Indian NBFCs among the more strictly regulated non-banking sectors worldwide.

WHY NBFCS FAIL: INSIGHTS FROM PREVIOUS STUDIES

➢ Poor ALM (Asset-Liability Mismatch): IL&FS and DHFL both collapsed due to maturity mismatches, where short-term borrowing funded long-term assets.

➢ Governance Failures: Studies (Thakrar, 2021) highlight fraud, poor oversight, and inflated asset values in failed NBFCs.

➢ Overexposure to Risky Segments: Concentration of loans in risky real-estate or unsecured lending has led to high NPAs.

➢ Weak Internal Controls: Gumparthi (2020) notes inadequate credit appraisal systems and lack of technological investment.

Why Upper Layer NBFCS are Sustaining

Research on top 15 upper layer NBFCs reveals the following factors:

➢ Strong governance and professional management
➢ Diversified loan portfolios
➢ Robust risk-management models
➢ Early adoption of digital technologies
➢ High-quality capital buffers
➢ Stable sources of funding (public NCDs, bank lines, securitization)

RESEARCH GAP

Despite extensive literature on NBFC crises and financial performance, limited research focuses on comparing failed NBFCs with upper-layer NBFCs using recent data within the new regulatory regime (2022–2025). The RBI has cancelled over 400 NBFC licenses since 2022, citing non-compliance, governance issues, insufficient capital, or failure to conduct business. However, academic studies have not yet deeply analysed:

1. Why many small and mid-sized NBFCs failed between 2022–23 and 2024–25.

2. What sustainability strategies enabled the top 15 Upper Layer NBFCs to thrive during the same volatile period.

3. A framework through which other NBFCs can implement these strategies to avoid liquidation.

RESEARCH QUESTIONS

1. What strategies have enabled the 15 Upper Layer NBFCs in India to remain successful during 2022–25, and what lessons can be applied to failing or vulnerable NBFCs? (Explain the governance, risk management, and sustainability practices)

2. What were the primary causes behind failed NBFCs' collapse during 2022–25?

OBJECTIVES OF THE STUDY

1. To examine the success strategies adopted by the top 15 Upper Layer NBFCs.
2. To study the importance of NBFC sector in India with compare to a global perspective.
3. To provide recommendations for strengthening NBFC resilience.

RESEARCH METHODOLOGY

Research Design: The study adopts a descriptive and analytical research design.

Time Frame: Q3 2022–23 to Q3 2024–25

Data Sources: Primary data will be collected through a structured questionnaire administered to managerial/operational employees of the 15 Upper Layer NBFCs identified by RBI. Responses will be analysed using descriptive statistics and thematic interpretation. Secondary data will be sourced from RBI notifications, circulars, and Scale-Based Regulation documents.

ANALYSIS AND INTERPRETATIONS

Reasons for Failure of NBFCS

➢ Governance Lapses: Many failed NBFCs lacked independent directors, had poor board oversight, or engaged in related-party transactions. Several were found to have manipulated financial statements or provided loans without due diligence.

➢ Asset-Liability Mismatch: NBFCs with high long-term lending and short-term borrowing were hit hard by rising interest rates and market volatility.

➢

➢ Compliance Failures: RBI cited non-submission of statutory returns, failure to conduct business as per regulations, and cash-based lending for many license cancellations.

WHY UPPER LAYER NBFCS SUCCEEDED

➢ Strong Risk Management: Upper-layer NBFCs maintain disciplined credit policies, use AI/ML for underwriting, and conduct regular stress testing.

➢ Governance Excellence: Boards include independent directors, risk committees, whistleblower mechanisms, and frequent audit reviews.

➢ Digital Transformation: Upper-layer NBFCs have built digital ecosystems for Loan origination, Customer verification (e-KYC), Collections, Fraud detection.

CONCLUSION

This study reveals that NBFCs play an indispensable role in India's financial inclusion and credit distribution. Their significance has grown over the decades, and they remain integral for sectors underserved by traditional banks. However,

the sector faces severe challenges, as evidenced by the failure of many NBFCs between 2022 and 2025. The strategies which the successful NBFCs are using can be considered as a road map for controlling the failure of NBFCs in the market.

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4

Role of Self-Help Group in Women Empowerment in Sundarbans Regions of West Bengal: A Study

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Abstract

This study aims to assess how self-help groups (SHGs) in the Sundarbans region of West Bengal have contributed towards women empowerment and the reasons for women joining such groups in the region. Specific focus has been given to Canning and Gosaba blocks to make the understanding on the subject more concise. A qualitative research technique was adopted to conduct the study. Semi-structured interviews of 18 participants from the region associated with SHGs aged between 28-60 years were conducted to gather data and thematic analysis was done on the data to meet the objectives. The findings of this study establish that SHGs support entrepreneurship ventures of the women population facilitating economic independence and financial stability of such women in the regions. The younger generation of women most often use SHG's assistance for entrepreneurship ventures, however the older population use such assistance to financially support their household.

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1. *This dissertation was done by the scholar under the guidance of Dr. Sumanta Dutta.*

However, women in the Canning region having better access to markets and infrastructure more successfully use SHGs for their business as opposed to women from the Gosaba region who due to geographical restrictions of the region cannot grow their business beyond the local area. Nevertheless, in both regions SHGs helped uplift women's social standing, financial resilience which are clear indicators of women empowerment.

Keywords: *Economic ,Independence, Financial Stability, Microfinance Institutions (MFI), Self-Sufficiency, Social Standing, Women Entrepreneurship,*

INTRODUCTION

SHGs serve as a key instrument fostering financial independence for women through entrepreneurship in rural India. SHGs through financial literacy and credit access for new and existing business ventures have empowered women. Focusing on the Sundarbans regions of West Bengal, this article aims to assess the way SHGs have provided financial independence and ensured empowerment of women in the region. Despite multiple challenges such as lack of resources, patriarchal norms, poor infrastructure and others, SHGs are able to enhance confidence and leadership skills among women entrepreneurs. Considering the potential of SHGs, this article helps analyse the reason for joining SHGs and its overall impact on empowerment and entrepreneurship of women in the Canning and Gosaba blocks of the Sundarbans region of India. The study has been done to understand the role of self-help groups in women empowerment and women entrepreneurship in the rural areas. Interviews were conducted for our study with women associated with self-help groups in the rural area of the canning and gosaba blocks in the Sundarbans region of West Bengal. The interviews were conducted with the full consent of the participants, recorded, and transcribed verbatim to do justice to the sentiments and lived experiences of the participants.

LITERATURE REVIEW

Previous studies have rightly identified how MFIs have supported entrepreneurial activities and skill development of women, specifically in the developing and underdeveloped nations of the world. A study by Kivalya & Montese (2023) has conducted secondary qualitative research on how MFIs help empower women entrepreneurs and concluded that such institutions are extremely necessary for cognitive and financial empowerment of women. However, another study by Ranabahu & Tanima (2022) has established that despite MFIs providing financial resources to women entrepreneurs, it might often be that vulnerable women have "inadequate support from MFIs" due to societal discrimination. Contradicting this, Sarkar *et al.* (2023) established that communication and leadership skills, confidence, social security and financial prospects improve for marginalised women after joining SHGs. Nevertheless, according to Khan *et al.* (2020), SHGs and MFIs support women entrepreneurship

facilitating a "holistic empowerment of women", especially in the psychological and economic domains.

According to Khursheed (2022), in the underdeveloped and rural areas, microfinance can serve as an important instrument to empower women financially as well as socially. Abebe & Kegne (2023) has mentioned that women empowerment is facilitated through non-financial training along with financial assistance by SHGs. However, often it is noted that even though most SHGs successfully provide financial assistance to women entrepreneurs, non-financial services such as training, skill development and business support are insufficient (Abebe & Kegne, 2023). Nevertheless, studies have showcased how being a part of SHGs has significantly improved women's authority in decision-making, their overall social standing and agricultural involvement which is suggestive of women empowerment. Therefore, as Kumar *et al.* (2021) argues, the role of SHGs in women empowerment goes far beyond only financial inclusion and encompasses awareness regarding nutrition and health issues, improved participation in governance and battling gender and caste-based social discrimination.

RESEARCH GAP

Analysis of previous literature showcased that the majority of these studies primarily focused on analysing how MFIs and SHGs facilitated women entrepreneurship and empowerment. However, the impact of SHGs in the regions of Sundarbans, West Bengal with regards to fostering women entrepreneurship and empowerment is lacking. This geographical gap is intended to be addressed through this article.

RESEARCH QUESTIONS

Considering the research gap, the following questions have been derived

➢ What are the socioeconomic traits of women in the Canning and Gosaba regions who participate in Self-Help Groups?

➢ What are the main drivers and determinants of women's participation in Self-Help Groups?

➢ What role do self-help groups play in empowering women in terms of their ability to make decisions, move up the social ladder, and become financially independent?

➢ What are the primary obstacles and challenges that women entrepreneurs associated to self-help groups encounter, and how do they overcome these challenges?

RESEARCH OBJECTIVES

➢ To study the socio-economic profile of women associated with Self-Help Groups.

➢ To analyse the reason for joining Self-Help Groups.

➢ To find out the impact on women empowerment after joining Self-Help Groups.

➢ To identify the challenges and obstacles faced by women entrepreneurs associated with Self-Help Groups.

RESEARCH METHODOLOGY

A "qualitative research technique" depending on "phenomenological approach" was adopted to explore the above-mentioned research objectives. For this purpose, women in the Gosaba and Canning region of Sundarbans that are associated with multiple SHGs have been observed and semi-structured interviews were conducted and recorded as a form of data collection. A sample population of 18 women aged between 28-60 years was chosen through purposive sampling. The recorded interviews were transcribed and NVivo software was used to code the transcribed document using keywords. Identifying recurring patterns as overreaching themes or statements is most effective for qualitative studies (Lochmiller, 2021). Therefore, T\thematic analysis was then conducted to create "word clouds" and establish the final findings.

ANALYSIS AND INTERPRETATION

Objective 1: Socio-economic profile of women associated with SHGs

Analysing the socio-economic profile of women associated with SHGs provide a clear idea regarding which section of women associate with SHGs most in Canning and Gosaba region. 72.22% of the women surveyed have 3-5 dependants while 16.6% have more than 6 dependants. On the other hand, 61.11% make ₹80,000 and ₹1,10,000 while 27.77% make ₹1,10,000 and ₹1,50,000. It has been noted that the reason for joining SHGs for women varied based on age. Older women generally joined SHGs to gain financial support for family members. However, younger women had more entrepreneurial attitude. Moreover, women having higher education could use the funds gained from SHGs more strategically ensuring better prospects for their business. Most women associated with SHGs has significant financial burden from family and had nearly six dependent family members. As per the data analysis, saving pattern varies greatly as well where higher income households save combatively less than lower income households due to more expenditure in education, healthcare and other factors. Additionally, loan repayment pattern of women in SHGs indicate that women in upper- and middle-income households that invested in business directly had greater repayment rate rather than those who used loans for household expenses.

Objective 2: Reason for joining SHGs

SHGs provided women of the said-regions with various economic opportunities increasing their interest to join such SHGs. The research found that 55% joined SHGs to generate income through entrepreneurial activities while 45% joined to manage the household incomes. In Canning, 30% primarily use SHG support for household expenses while 70% are engaged with income-generating activities. While in Gosaba, 50% join to manage household expense while other 50% for

income generation. Canning provides access to well-established markets such as wholesale fish and vegetable markets, retail hubs and others making the economic environment stable. Therefore, more women associated with SHGs in the region can become successful in their business ventures. However, Gosaba being river-bound, SHG members in this region lack significant opportunity to grow their own business past local scale. Moreover, younger women from Canning and Gosaba aged between 25-35 years were more likely to focus on entrepreneurship. Whereas older women mostly use SHGs to financially support their households. SHGs have changed economic independence for women in the region where such women have better participation in business and household decision-making. Moreover, higher levels of education in women are directly proportional to more entrepreneurial participation of women.

Objective 3: Impact on women empowerment after joining SHGs

SHGs has contributed a great deal towards empowering women financially as well as socially. Analysis of data established that financial independence of women significantly increased after joining SHGs as such women could better handle financial difficulties and contribute to household expenses enhancing their decision-making power within the household. SHGs facilitating business ownership among women in the Canning and Gosaba region ensured self-sufficiency enhancing the confidence and social standing of women. SHGs have encouraged women to diversify their income sources which decreased the financial vulnerability of such families. Moreover, women entrepreneurs through SHGs could create more job opportunities for other women in the region. SHGs by providing women with financial stability, autonomy in household decision-making and better social-standing did facilitate better opportunity for education of children in the region. Financial opportunities delivered by SHGs thus played a vital role in empowering women in the region not only economically, but socially and politically as well.

Objective 4: Challenges and obstacles faced by women entrepreneurs associated with SHGs

Despite providing significant opportunities, there were a few challenges that demanded effective navigation to use the benefits from SHGs effectively. As the data analysis suggests, women involved in SHGs lacking necessary skills and technical knowledge could not optimize their profits and maintain enterprises. With regards to poultry husbandry and agriculture, most women lack relevant knowledge with regards to sustainable agricultural practices and disease prevention mechanisms often leading to loss. Women, especially from the Gosaba region faced restrictions in terms of market access which limited their sales and profitability. Moreover, as per data analysis, the Sundarbans region is prone to natural disasters such as flood which results in significant loss during weather crisis. Additionally, loan delays can be quite common which negatively impacts business growth. Often irregular income, seasonal nature of businesses leads to loan repayment issues increasing debt burden. These issues need attention from government officials, responsible authorities and bureaucrats to make sure that SHGs serve its purpose of socially and economically uplifting women.

CONCLUSION

SHGs have played a critical role in uplifting the women population in the Canning and Gosaba region of the Sundarbans, West Bengal. Women associated with SHGs have better access to financial resources to start their own business and contribute to household expenses which enhanced their social standing and decision-making power countering patriarchal norms. Younger women, especially from upper and middle-income households, having higher-secondary education in the region could utilise the loan from SHGs more strategically and gain better results rather than women in their mid-40s. However, challenges such as lack of technical skills and knowledge, limitations in market access resulting in limited sales, natural calamities such as flood, approval delays, income fluctuations hinder the growth of women entrepreneurs associated with SHGs. Necessary steps need to the taken in this respect to realise the full potential of SHGs.

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5

A Study on the Savings & Investment Behaviour of the Middle-Income Group in Kolkata

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Abstract

The study explores how middle-income households manage their savings and investments, and how both are connected to the country's economic growth. In today's changing digital and financial world, people's money habits are influenced by factors like technology, awareness, and their willingness to take risks. The main goal is to understand what shapes these financial decisions and how they vary across different income groups.

The research is based on data collected through a structured questionnaire that asked about saving patterns, investment choices, and risk preferences. Using tools like descriptive statistics and correlation analysis, the study found that most people prefer safe options such as bank deposits, insurance, and small saving schemes. At the same time, those with higher income and better education showed more confidence and awareness, often investing in mutual funds, stocks, or real estate for higher returns.

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1. *This dissertation was done by the scholar under the guidance of Dr. Sreemoyee Guha Roy.*

It was also seen that digital platforms now have a growing impact on how people choose to invest. The study highlights the need for stronger financial education so that people can make informed and balanced financial choices. It also suggests that introducing tax benefits and special savings schemes could encourage smarter investment behaviour. Overall, these findings help in understanding how financial habits are shifting and what they might mean for the future of the economy.

Keywords: *Financial Awareness, Investment Patterns, Middle-Income Households, Savings Behaviour.*

INTRODUCTION

Savings refers to the portion of income not spent on current consumption but set aside for future use. Investment involves purchasing goods or assets to generate future wealth. Savings and investments are closely linked, and studying their behaviour helps understand the direction of a country's economy. In today's fast-evolving economic and digital landscape, individuals' financial behaviour is rapidly changing, driven by shifting risk perceptions, the rise of digital platforms, and growing financial awareness. The Association of Mutual Funds in India (AMFI) reported that mutual fund folios surpassed 140 million in 2022, reflecting a significant rise in retail investor participation. According to NSE data, retail investors in the Indian stock market increased from 15 million in 2015 to over 45 million in 2022, marking a strong shift toward equity markets. PRICE divides income-earning households into four categories: affluent (over Rs 30 lakhs annually), middle-class (Rs 5-30 lakhs), aspiring (Rs 1.25 lakhs), and destitute (below Rs 1.25 lakhs). With the middle-class projected to reach 60% by 2047, analyzing their savings and investment patterns is vital for understanding future economic trends.

LITERATURE REVIEW

Several studies from different parts of India have examined how people choose to save and invest their money, and most of them agree that factors like income, education, gender, and risk-taking ability have a strong impact on these choices. Earlier research shows that many Indian households still prefer safe and familiar options like bank deposits, insurance, or gold instead of going for riskier ones such as shares or mutual funds (Geetha & Ramesh, 2011; Das, 2012; Singh & Kaur, 2018). This mainly happens because a lot of people still lack proper financial knowledge, and also, they want their money to stay secure and easily available whenever needed.

As people's income starts increasing, they usually begin to explore more ways to invest and take a few calculated risks to get better returns (Anila, 2021; Jariwala & Gandhi, 2024). But those with lower income or less education often prefer to save rather than invest. Age and occupation also play a big role. Middle-aged and salaried people tend to stick with steady saving options, while self-employed and higher-income individuals are more open to long-term and slightly riskier investments (Jakhar, 2018; Samuel & Sharon, 2024).

Gender too influences how people handle money. Men are often found to be more confident when it comes to investment decisions, whereas women generally prefer safer and tangible assets like gold or fixed deposits (Nigama & Deepika, 2024; Singh & Kaur, 2018). But in recent years, things have started to change a bit. More working women and younger investors are now showing interest in digital and market-linked options as awareness about finance continues to grow (Saha et al., 2024).

Apart from these demographic aspects, other factors such as risk perception, financial literacy, and general awareness also shape investment behaviour (Lodhi, 2014; Suchak & Pimplapure, 2023). Economic conditions and easy access to financial platforms have also started influencing how people choose to invest (Jariwala & Gandhi, 2024). In general, people with better income and education are more likely to take risks and diversify, while those with limited income still prefer to save safely.

RESEARCH GAP

➢ Many papers have studied the investment patterns but did not take into account the savings behaviour; both the concepts being interrelated and thus, should be studied together.

➢ There have been some studies that have focussed on the middle-income group, whereas others did not target any specific group rather focussed on different geographical areas.

➢ One research has targeted only on the investment behaviour of the youth of Kolkata, leaving ample scope to focus on the middle-income people of the city.

RESEARCH QUESTIONS

The present study aims to understand the main factors that influence how people from the urban middle-income group in Kolkata save and invest their money. Even though financial awareness has been growing and people now have access to different kinds of investment options, many still prefer to go for traditional and safer ones. This brings up a few key questions — what are the major factors that affect individuals' saving and investment decisions? To what extent do demographic aspects like age, gender, income, occupation and education shape these financial choices? And how does a person's financial literacy or attitude towards risk influence their preference for certain saving or investment options?

The study also tries to find out whether income levels have any link with the tendency to diversify investments. It further looks at how people's awareness and understanding of financial products impact their decision to save or invest. Another important point is to see how digitalisation and financial technology have changed the financial behaviour of urban individuals. Overall, the research seeks to identify the demographic and behavioural factors that influence savings and investment patterns, and what they reveal about the changing financial mindset of the urban middle-income group in Kolkata.

OBJECTIVES OF THE STUDY

The objectives outline the key goals of this research, highlighting what it aims to explore and achieve. They are mentioned below:

1. To study the savings and investment pattern of the middle-income group in Kolkata.
2. To analyse the factors influencing the savings and investment decisions of the group.

RESEARCH METHODOLOGY

➢ **Nature of Study:** Descriptive and analytical.
➢ **Population:** The entire group of middle-income individuals residing in Kolkata who fall within the defined income range of INR 5-30 lakh annually.
➢ **Sampling Technique:** Stratified random sampling.
➢ **Sample Size:** 104.
➢ **Period of Study:** December 2024 to mid of February 2025.
➢ **Questionnaire:** It consists of 26 questions, systematically divided into three sections: demographic, savings-related, and investment-related.
➢ **Tools and Techniques**
➢ **Descriptive Statistics:** To summarise the data.
➢ **Correlation Analysis:** To identify if any significant relationship exists between variables.
➢ **Logistic Regression Analysis:** To determine the determinants of investments in mutual funds and investments in the stock market.
➢ **Factor Analysis:** To narrow down the factors affecting savings and investment decisions, separately.
➢ **Reliability Analysis:** Performed upon 7 Likert scale questions regarding the knowledge of individuals about various financial products.

MAJOR FINDINGS

It was seen that the middle-income group prioritized savings. It was seen that 96 respondents regularly saved a portion of their income. On the other hand, 8 of them did not save regularly.

What percentage of your income do you save on average?
104 responses

Legend:
- Less than 10%
- 10-20%
- 21-30%
- More than 30%

20.2%
13.5%
40.4%
26%
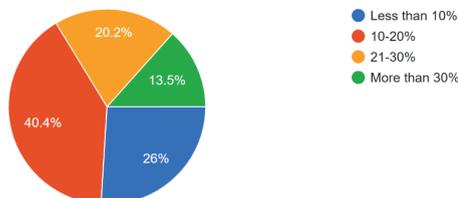
➢ Many respondents found changes in their savings behaviour over the past decade, owing to increased income and responsibilities.

➢ It was seen that although a majority of them prioritized savings and budget accordingly, most of them were still not satisfied with their current savings and showed their desire to improve their savings habit. On the other hand, 42 of the respondents were satisfied with their saving levels.

What percentage of your income do you invest on average?
104 responses

- Less than 10%
- 10-20%
- 21-30%
- More than 30%

42.3%
38.5%
12.5%
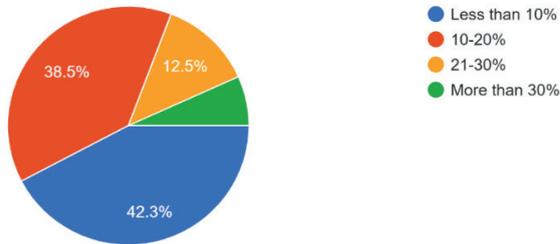
How would you describe your attitude towards saving money?
104 responses

- I prioritize saving and budget carefully
- I try to save but sometimes struggle
- I save only if there's extra money left
- I do not prioritize saving

56.7%
30.8%
11.5%
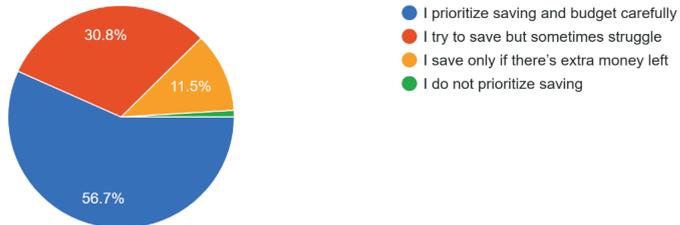
In which financial products do you primarily invest? (Tick all that apply)
104 responses

Category	Count
Fixed Deposits	62 (59.6%)
Gold/Silver	41 (39.4%)
Insurance	39 (37.5%)
Mutual funds	64 (61.5%)
Stock market	40 (38.5%)
Real estate	14 (13.5%)
Post Office Savings	28 (26.9%)
By Buying digital gold	1 (1%)
I don't	1 (1%)
Myself	1 (1%)
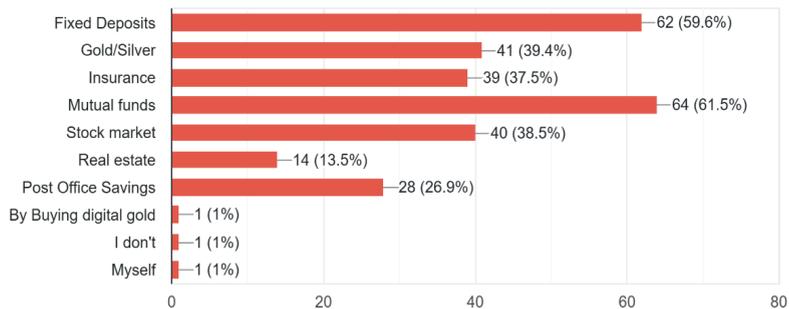
➤ Majority of the respondents, i.e. 86 of them aimed at long-term growth, 63 respondents kept wealth accumulation in mind while investing. Capital preservation was the investment objective of 28 respondents.

➤ Majority of the respondents invested for a medium to long-term horizon.

➤ Most respondents were risk neutral, but overall showed a tendency to avoid risk, with only a small portion actively seeking high-risk, high-reward investments.

➤ Respondents showed the highest level of expert knowledge (rating 5) in fixed deposits and gold/silver, while awareness was lowest for stock market and mutual funds, with many rating their knowledge as minimal or basic.

What factors influence your savings decisions the most? (Tick all that apply)
104 responses

Factor	Value
Current income level	47 (45.2%)
Monthly expenses and cost of li…	75 (72.1%)
Financial security and future go…	49 (47.1%)
Economic conditions and mark…	30 (28.8%)
Family or peer influence	25 (24%)
Children's education and relate…	33 (31.7%)
Major life events (e.g., marriag…	42 (40.4%)
Possible Medical Emergencies	1 (1%)

➤ Regarding the factors influencing savings decisions, it was seen that monthly expenses and cost of living (72.1%) and financial security and future goals (47.1%) were the most significant drivers, followed by income levels and major life events.

➤ For investment decisions, market trends and economic conditions (61.2%) and past investment experiences (50.5%) played the biggest roles, along with expert advice (42.7%) and government incentives (36.9%).

What factors influence your investment decisions the most? (Tick all that apply)
103 responses

Factor	Value
Market trends and economic co…	63 (61.2%)
Financial advice from experts	44 (42.7%)
Government policies or incentiv…	38 (36.9%)
Peer or family influence	38 (36.9%)
Advertisements and promotions	21 (20.4%)
Previous investment experiences	52 (50.5%)
Tax benefits	25 (24.3%)
Lending money	1 (1%)
Self researcher with focus on f…	1 (1%)
Nothing	1 (1%)

DATA ANALYSIS AND INTERPRETATION

➤ **Correlation Analysis** was performed, and it was found that a positive relationship exists between the percentage of income saved and the percentage of income invested (r = 0.583).

➤ A negative correlation (r = -0.243) was found between age and the risk appetite of individuals for investments.

➤ A positive correlation was found between educational qualification and both knowledge of the stock market and mutual funds. Negative correlations were found for Post office savings, Gold, and FD.

➤ No significant relationship was found between gender and attitude towards saving money.

➤ No significant relationship was found between gender and the risk appetite of individuals.

➤ **A Logistic Regression Analysis** was conducted to find out the determinants of investment in mutual funds, and the sole determinant found was the knowledge of mutual funds. It was found that if the knowledge of mutual funds increases by 1 unit, then the probability of deciding to invest in mutual funds increases by 2.572 units. (Log Likelihood = 96.051%)

➤ The same analysis was conducted to find out the determinants of investment in the stock market as well, and two determinants were found: knowledge of the stock market and the risk appetite of individuals. it was found that if the risk appetite of an individual increases by 1 unit, then the probability of deciding to invest in the stock market increases by 2.714 units. And, if the knowledge of the stock market increases by 1 unit, then the probability of deciding to invest in stock market increases by 2.247 units. (Log Likelihood = 86.189 %)

➤ **The Factor Analysis** was performed, and seven of the factors affecting the savings decision of individuals were boiled down to three components, namely, Financial Stability, Family, and Monthly Expenses.

➤ **The Factor Analysis** was performed to boil down the seven factors affecting investment decisions into three components, namely, Policies, Social and Experiential, and Market Scenario.

➤ **Reliability Analysis** was carried out on the 7 Likert scale questions regarding the knowledge of individuals about the various financial products.

➤ **The Cronbach's Alpha** value was found to be 0.791, which falls in the "Acceptable" range, indicating that the 7 questions used to measure respondents' knowledge about financial products are reasonably consistent.

CONCLUSION

The study highlights the evolving financial behaviour of the middle-income group in Kolkata, driven by a combination of economic factors, personal goals, and increasing financial awareness. While traditional investment avenues

like fixed deposits and gold continue to dominate, there is a growing interest in modern investment options such as mutual funds and the stock market. However, the lack of financial literacy and awareness remains a significant barrier, limiting the full potential of this demographic.

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6

A Study of Human Resource Accounting of Selected Companies in India

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Abstract

Resources are limited. With these limited resources organizations compete to survive and succeed. The ultimate triumph of an organization depends upon how skillfully and efficiently its human resource uses these finite resources. Thus, human resource is pivotal to the organization. Human Resource Accounting (HRA) involves the identification, quantification and measurement of human resources for managerial decision making. In India HRA is not mandatory, leaving organizations free to choose whether they want to value and report such asset. With BHEL being the pioneer several companies in India had taken up HRA. However, in recent years adoption of HRA has declined. This study aims to understand the concept of HRA and models of human resource valuation. The human resource value information (ratios) of HPCL, ONGC, CCI, Infosys Ltd, Rolta India Ltd for 10 years has been analysed. Existence of correlation between profitability (PBT) and Human Resource Value (HRV) has been tested using Karl Pearson's Correlation Coefficient.

1. *This dissertation was done by the scholar under the guidance of Prof. Ankita Samanta.*

It has been found that strong positive correlation exists between HRV and PBT of Infosys Ltd and ONGC. Impact of HRV on PBT has also been assessed using simple linear regression. Positive impact has been found for ONGC and Infosys Ltd. A rise in HRV corresponded with a rise in PBT. To understand the scenario of Human Resource related disclosure Human Resource Accounting Disclosure Index (HRADI) has been calculated using annual reports of the last 10 years. It has been found that disclosure rate of all companies has deceased except HPCL and ONGC.

Keywords: *Human Resource Accounting, Human Resource Accounting Disclosure Index, Human Resource, Human Resource Valuation.*

INTRODUCTION

To understand the idea of Human Resource Accounting, the concept that needs to be thrown light upon is the need of humans as resources in an organisation. Every aspect of an organisation—from its conception, goal setting, and strategic planning to operations—is driven by human effort. The organisation derives benefits based on the ability, the knowledge and skills of it human resource. Based on this view, human beings can be treated as asset of an organisation that is imperative for its triumph.

As per The American Accounting Association's Committee:

"*Human Resource Accounting is the process of identifying and measuring data about human resources and communicating this information to interested parties.*"

In India, HRA was first introduced by Bharat Heavy Electricals Limited (BHEL) in 1974, followed by CCI, ONGC, SAIL, and others. Private companies such as Infosys, Satyam Computers, and Rolta India also adopted it. However, there are potential criticisms of this concept. Human beings cannot be owned like physical asset and kept in the organization against their consent. Moreover, there is no universally accepted model of Human resource valuation. There is also no legal compulsion for such practice in India. Perhaps due to these reasons several companies that had taken up human resource accounting have abandoned the practice.

LITERATURE REVIEWS

Throughout the decade many scholars have studied and contributed to the concept of HRA. In their study **Flamholtz *et al.* (2002)** had traced stages of HRA's development describing its rise, decline, and resurgence. **Patra *et al.* (2003)** analysed BHEL's annual reports and observed that HRA enhances efficiency and productivity. Through his study **Roslender (2009)** had linked early HRA developments with the modern concept of intellectual capital, reflecting its broader managerial relevance. In the 2010s, **Ratti (2012)** with primary data showed that HRV is independent of employee count. In their study **Micah *et al.* (2012)** had found a positive relationship between financial performance and HRA disclosures in Nigerian firms. **Absar *et al.* (2014)**, performed a cross-

sectional study of Bangladeshi banks and concluded that 93% banks reported human capital quantitatively but lacked dedicated disclosure sections. **Asika et al. (2017**), conducted a study of Nigerian banks and revealed that staff salary and retirement benefits positively affect profitability. **Khan (2021),** examining Saudi SMEs, concluded that HRA positively influences profitability and equity returns. **Kashanipour & Farooji (2022)** showed through their research, how HRA positively effects profitability in Tehran Stock Exchange firms, though impact on ROA and stock returns is negative. In recent years , **Moin & Qureshi (2023)** has found that staff costs had a positive effect on financial performance of Pakistani firms while **Sharma & Singh (2024)** signified importance of capitalization of human resources in a service-driven economy.

REASEARCH GAPS

➢ Majority of the existing literature is theoretical with limited analysis of the HRV information reported by the companies.

➢ There is a lack of research in examining the existence of correlation between HRV and profitability of the company.

➢ Lack of investigation of the disclosure rate of human resource information in annual reports of the companies.

RESEARCH OBJECTIVES

➢ To study the different methods for determining value of Human Resource;

➢ To examine HRV information reported and to find out whether correlation exists between HRV and PBT along with the impact of HRV on PBT;

➢ To calculate HRADI of the selected companies and show the rate of disclosure.

RESEARCH METHODOLOGY

The descriptive research is based entirely on secondary data collected from company websites, annual reports, previous literatures etc. Using purposive sampling the annual reports of 10 years of Hindustan Petroleum Corporation Limited (HPCL), Cement Corporation Of India Limited(CCI) , Oil and Natural Gas Corporation India (ONGC) , Infosys Limited, Rolta India Limited has been selected.

For the time frames -

➢ HPCL (FY 2014-15 to FY 2034-24)

➢ ONGC (FY 2002-03 to FY 2011-12)

➢ CCI Ltd(FY 2008-09 to FY 2016-17)

➢ Infosys Ltd (FY 2001-02 to FY 2010-11)

➢ Rolta India Ltd (FY 2005-06 to FY 2014-15)

The increase or decrease in HRV and HRV ratios have been analsyed and depicted with column charts and line charts. Existence of correlation between

the HRV and PBT has been examined with Karl Pearson's correlation analysis for the all the companies. Simple regression analysis has been conducted to see the impact of HRV (independent variable) on PBT (dependent variable).

Human Resource Accounting Disclosure Index (HRADI) has been constructed for each the companies by considering the annual reports from FY 2014-15 to FY 2023-24. The following variables have been picked randomly from variables used widely to depict human resource information in annual reports-

➢ Number of employees	➢ Training and Development Cost
➢ Classification of employees based on nature of work, qualification, grade	➢ Contribution to gratuity
	➢ Contribution to PF
➢ Average Age of Employees	➢ Welfare Expenses
➢ Classification as per age	➢ Salary Information
➢ Information on SC/ST/OBC ,disabled employees	➢ Production per employee
	➢ Value added per employee
➢ Training and Development Information	➢ HRV per employee
	➢ Profit per employee

For disclosure of each variable '1' has been awarded, '0' otherwise. HRADI has been calculated as percentage of total score obtained on maximum obtainable score with the help of MS excel. The scores obtained have been depicted graphically to show changes in the rate of disclosure

METHODS OF HUMAN RESOURCE VALUATION

Human resource valuation models can be broadly classified into cost based or value based approaches.

1. **Cost Based Approaches**: Under cost based approaches, Historical cost includes that actual cost incurred for acquiring the employee. Replacement cost focuses on the cost of replacing the employee with a person of similar knowledge, skills and capabilities. Opportunity Cost model defines that an employee is only valuable when they are scarce and not easily substitutable. Standard Cost approach groups the employees in different hierarchical categories and considers the cost of recruitment, training, development of each category. **Total cost approach** determines the value of human resources based on both the costs incurred for their acquisition and development, and the present value of future services, usually reflected through salaries.

2. **Value Based Approaches:** According American Accounting Association's Committee, money alone need not necessarily be the basis of measurement. Thus valuation models are of two types- Monetary value based and non monetary values based.

   ➢ Flamholtz had identified inventory of skills and capabilities, the performance evaluation methods, potential assessment, attitude measurement etc as non-monetary measures for human resource

valuation. Flamholtz , Likert and Ogan has are stalwarts in this field.

➢ Monetary Value based models include the popular Lev and Schwartz Model where the expected future earnings till retirement is discounted to arrive at the present value. Hermanson's unpurchased goodwill model values human resource on the basis of super normal earnings in previous years. While his adjusted present value model discounts the future employee payments by an efficiency factor. Flamholtz's Stochastic Rewards model considers the movement of employees through different service role, along with the probability and period of their stay in each role while Jaggi and Lau , for a homogenous group of employees , considers their movement through various ranks along with the probability of the employee leaving the organization. S.K. Chakraborty Model is the combination of cost and value based approach. HRV is derived by combining the acquisition costs (treated as revenue expenditure) with the present value of the expect future salary.

ANALYSIS AND INTERPRETATION

Analysis of HRV and HRV Ratios

➢ **HPCL** started human resource accounting in the year 1981. Since then, it has been valuing human resource till now i.e. FY 2023-24. The company has used the Lev and Schwartz model. HPCL has segregated it's employees in managerial and non managerial category and reported value category wise and in total as well

TOTAL HRV OF HPCL (CRORES)
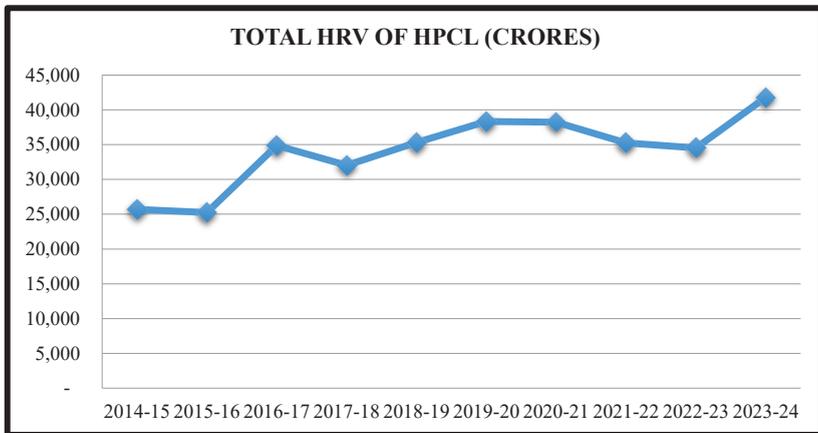
The value of managerial employees increased over the last 10 years unlike the value of non-managerial staff that has declined. The total HRV had increased and was highest in FY 2023-24.

It has been observed that due to the low profit of FY 2019-20 and a loss in FY 2022-23 the PBT/HRV ratio has shown a significantly low value. However, the PBT/HRV ratio has again risen in FY 2023-24.

PBT/HRV OF HPCL (%)
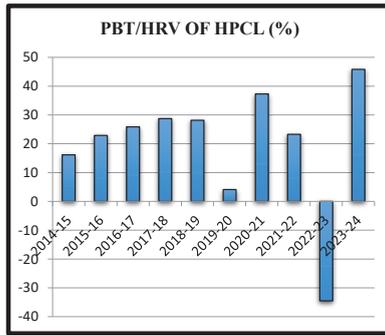
It has been observed that the human resource to total resource ration has decreased despite an increase in HRV. This implies that the other resources (investments and assets) of the organisation have also increased along with the human resource value causing a decrease in the HRV to total resources.

HUMAN RESOURCE VALUE TO TOTAL RESOURCE RATIO OF HPCL (%)
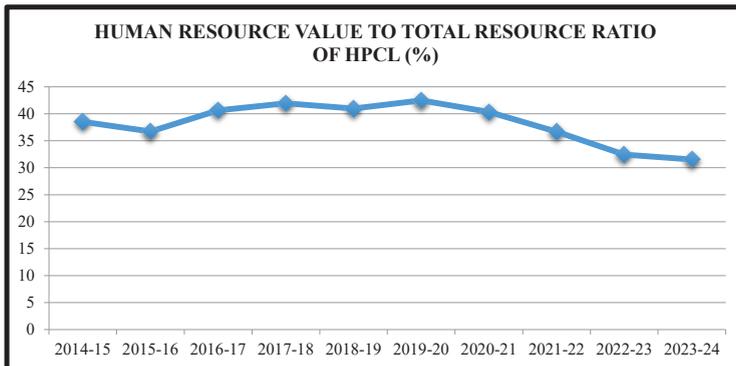
It has been observed that the Employee cost/HRV has declined. This is a good sign as the human resources are generating more value than the cost that has been incurred on them.

EMPLOYEE COST/HRV OF HPCL (%)
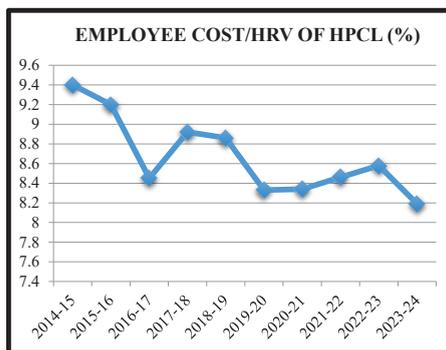
➢ **ONGC** had started the practice in 1982 and continued to report till 2012, valuing the human resource with Lev and Schwartz model. It had broadly divided its employees in 'Technical' And 'Non-Technical' categories. Those are further divided into 'Executive' and 'Non-Executive' categories. The value was reported for all the four categories accordingly.

TOTAL HRV OF ONGC (MILLIONS)
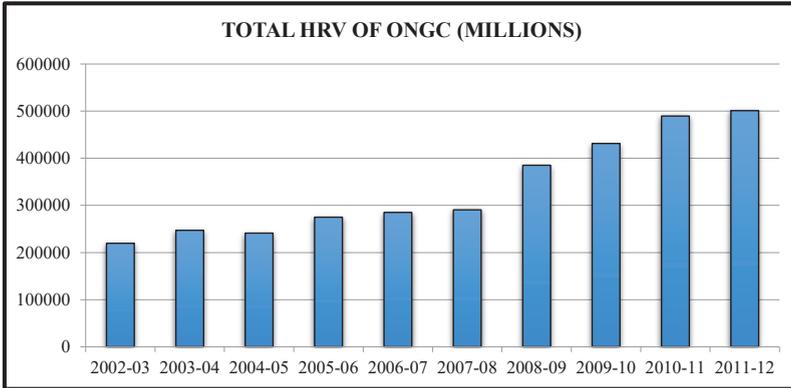
The total HRV of technical employees had increased to 3, 85,216 million INR in FY 2011-12. The total HRV of non-technical employees was highest at 1, 15,747 million INR in FY 2011-12. The total HRV combining both technical and non-technical employees had increased. In FY 2011-12 the value was highest at 5, 00,963 million INR.

It was observed that the HRV per employee had also increased. The value was highest in the year 2011-12. This was a positive sign for the company.

HRV/EMPLOYEE RATIO OF ONGC (%)
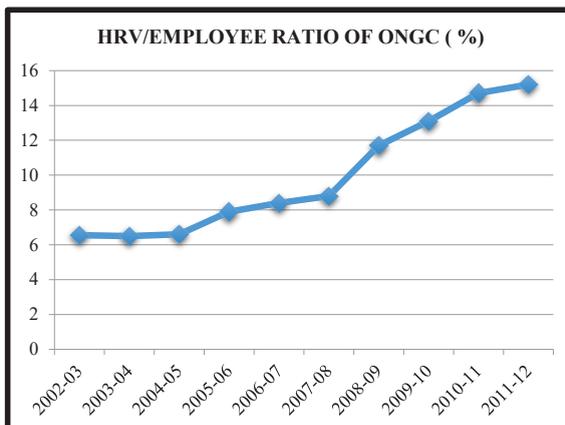
➢ **CCI** had taken up human resource accounting in 1980 and continued till FY 2016-17. It used a combination of the Lev and Schwartz, Flamholtz model and Jaggi and Lau model.

It was seen that the company had segregated the HRV in multiple categories based on the nature of work of the employees and reported the value accordingly. HRV of executives, Supervisors, Skilled Workers and Support Staff had increased. HRV of semi- skilled and unskilled workers had decreased.

TOTAL HRV OF CCI (LAKHS)
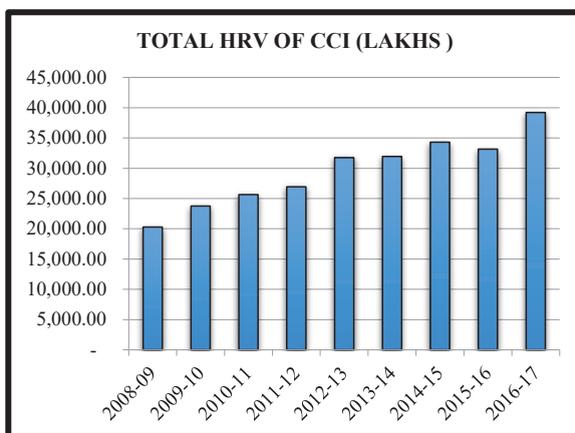
It has been observed that the total value of human resource has increased over the years. The value had increased to 39,205 lakhs INR in FY 2016-17.

➤ **ROLTA INDIA LTD** started practising Human resource valuation in 2002 an abandoned it in 2015. It had also used Lev and Schwartz model just like others.

TOTAL HRV OF ROLTA INDIA LTD (CRORES)
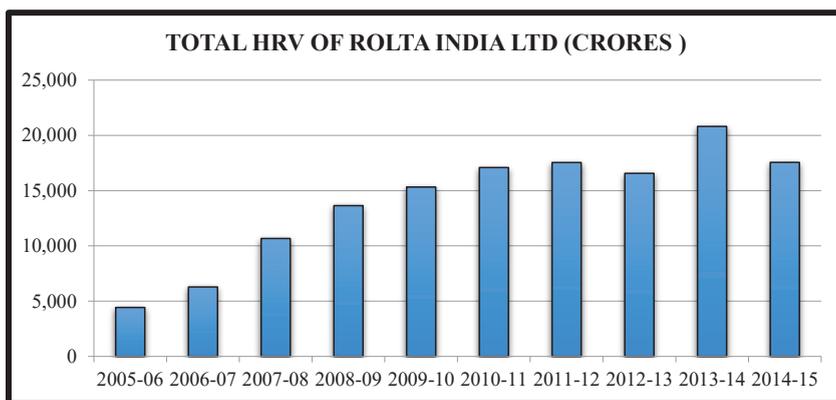
The company has reported its human resource value as a whole. The value was maximum i.e. 20,812 crore INR in FY 2013-14. The value had again declined in the year FY 2014-15 to 17,559 crore INR. However it had increased from initial position.
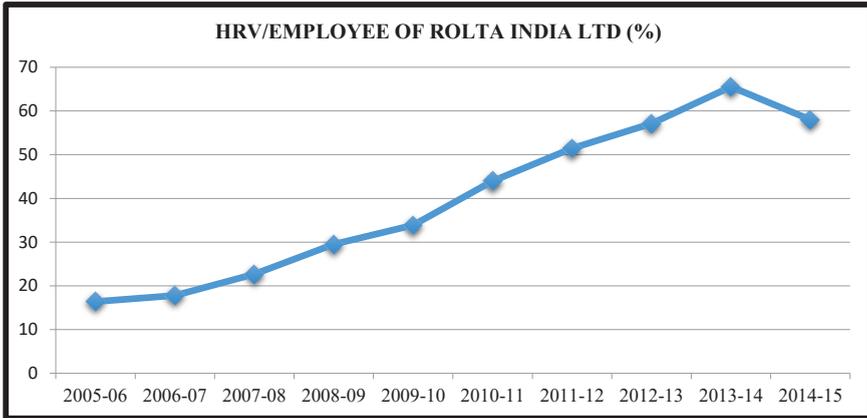
HRV per employee had increased till FY 2013-14. In the FY 2013-14, the value of human resource per employee was highest. The value had then decreased in FY 2014-15. This was not a good sign for the company.
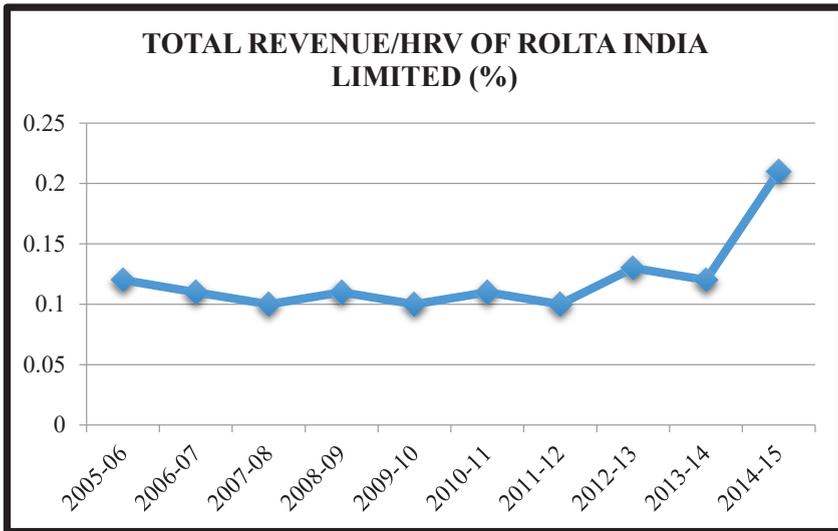
It has been observed that the ratio of total revenue to human resource value had increased. In FY 2014-15 due to increase in revenue and a decrease in HRV.

➢ **INFOSYS LTD** started human resource valuation in the 1996. It had continued with the Lev and Schwartz Model till FY 2010-11. Afterwards, it had taken up its own model in the FY 2011-12 called Infosys GIST-HXC model. Infosys had stopped Human Resource Valuation 2013 onwards.

TOTAL HRV OF INFOSYS LTD (CRORES)
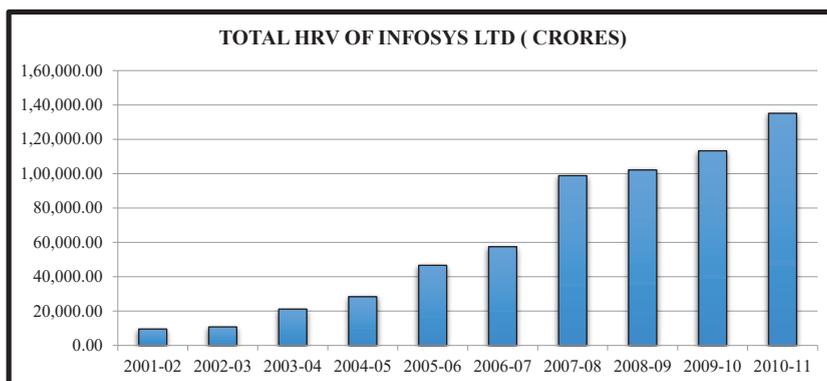
The value of Software Professionals and Support staff had increased with maximum value in FY 2010-11. Owing to the growth in Software Professional and Support the total HRV has also increased. In the FY2010-11, the value is highest. The value was 1,35,105 crore INR

EMPLOYEE COST/HRV OF INFOSYS LTD (%)
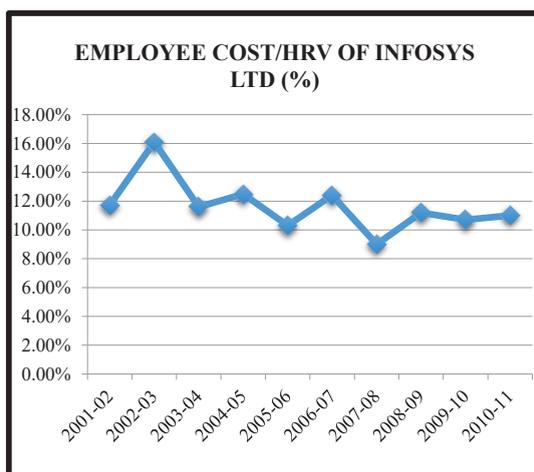
In FY 2001-02 it was 11.72% but in FY 2010-11 it was 11%. In FY 2010-11 the ratio had risen again. An increase in this ratio is not a good sign for the company.
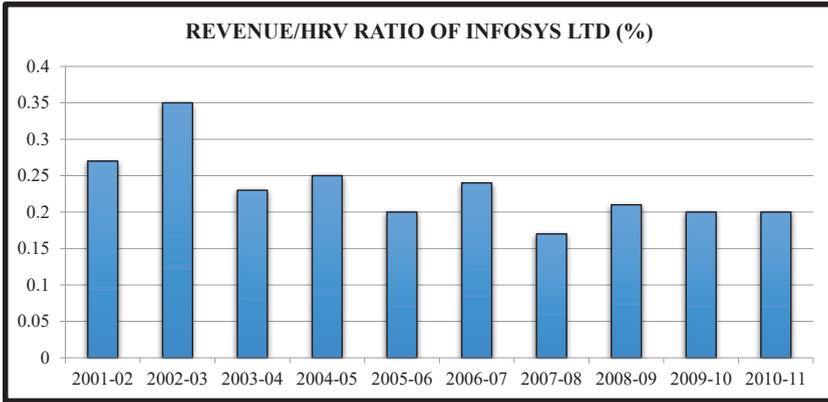
The increment in HRV and Revenue had led to a fall in the ratio than the initial position. The increase in HRV was more than the increase in revenue that caused the ratio to fall in FY 2009-10.The ratio was 20% for the next year as well.

EXAMINATION OF EXISTENCE OF CORRELATION BETWEEN HRV AND PBT AND THE IMPACT O HRV ON PBT

➢ **HPCL**

		PBT	HRV
PBT	Pearson Correlation	1	.328
	Sig. (2-tailed)		.354
	N	10	10

Fig : Table showing correlation between HRV and PBT of HPCL

Both at 5% and 10% level of significance, correlation is not statistically significant. The change in one variable does not reflect the change in another variable.

➢ **ONGC**

		PBT	TOTAL HRV
PBT	Pearson Correlation	1	.837
	Sig. (2-tailed)		.003
	N	10	10

Fig : Table showing correlation between HRV and PBT of ONGC

Correlation is statistically significant at 5% level and 10%. **There exists strong positive correlation between PBT and total HRV of the company. Therefore, if HRV increases (decreases), PBT tends to increase (decrease) and vice-versa.**

	Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta			
1	(Constant)	64018.462	40836.012		1.568	.156
	TOTAL HRV	.503	.116	.837	4.327	.003

Fig: Table showing regression analysis of HRV and PBT of ONGC

For ONGC it was seen that the R square value is 70.1%. The p value associated with the F statistic was also less than 0.05 and .10. Hence the regression model is acceptable.

The following regression equation has been developed –

ŷ = 64018.462+ .503x

If, HRV increases by 1 unit then PBT will increase by .503 units. Increase in HRV positively impacted the PBT.

➢ **CCI**

		PBT	TOTAL HRV
PBT	Pearson Correlation	1	-.165
	Sig. (2-tailed)		.672
	N	9	9

Fig : Table showing correlation between HRV and PBT of CCI

The correlation is not statistically significant at 5% and 10% level. A change in HRV does not reflect a change in the PBT of the company.

➢ **ROLTA INDIA LTD**

		PBT	HRV
PBT	Pearson Correlation	1	-.061
	Sig. (2-tailed)		.868
	N	10	10

Fig : Table showing correlation between HRV and PBT of Rolta India Ltd

It has been observed that the p value is greater than 5% and 10%. Hence correlation between PBT and HRV is not statistically significant. The change in one variable does not reflect the change in another variable.

➢ **INFOSYS LTD**

		PBT	TOTAL HRV
PBT	Pearson Correlation	1	.986
	Sig. (2-tailed)		.000
	N	10	10

Fig : Table showing correlation between HRV and PBT of Infosys Ltd

It has been observed that the p value is less than 5%. Correlation is significant at 5% and 10% level. The value of Correlation Coefficient is .986. **There exists strong positive correlation between PBT and HRV. If, HRV tends to increase (decrease), PBT will also increase (decrease) and vice versa.**

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	311.342	276.554		1.126	.293
	TOTAL HRV	.060	.004	.986	16.647	.000

Fig: Table showing regression analysis of HRV and PBT of Infosys Ltd

The regression model showed that the R square value was 97% and the p value associated with the F statistic was statistically significant, implying that the model is a good fit. The following regression equation has been formulated from the table –

$y = 311.342 + .060x^{**}$

If HRV increases by 1 unit then PBT will increase by .060 units. An increase in HRV resulted in an increase in PBT.

ANALYSIS OF DISCLOSURE RATES THROUGH HRADI

➢ **HPCL**

The score has increased in FY 2023-24 owing to the new segment in the annual reports "Human Capital". The disclosure rate of HPCL has increased. On an average the company had disclosed 75% of the variables.

HRADI OF HPCL (%)
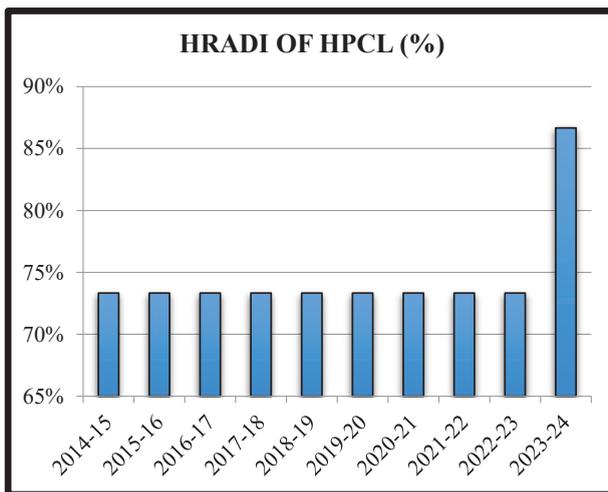
➢ **ONGC**

The disclosure rate of ONGC increased till FY 2021-22 then it had decreased. Overall, the disclosure rate had increased. On an average, the company had disclosed 51% of the variables.

HRADI OF ONGC (%)
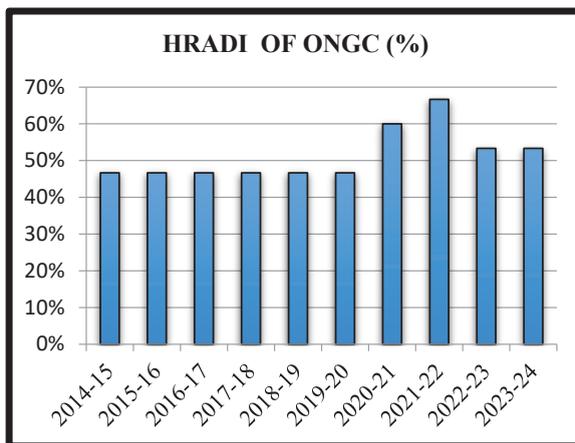
➢ **CCI**

The score was highest 93 % till FY 2016-17. The company has stopped human resource valuation after FY 2016-17. It resulted in the dropping of the index. The disclosure rate of the company has decreased. On an average it disclosed 75% of the variables

HRADI OF CCI (%)
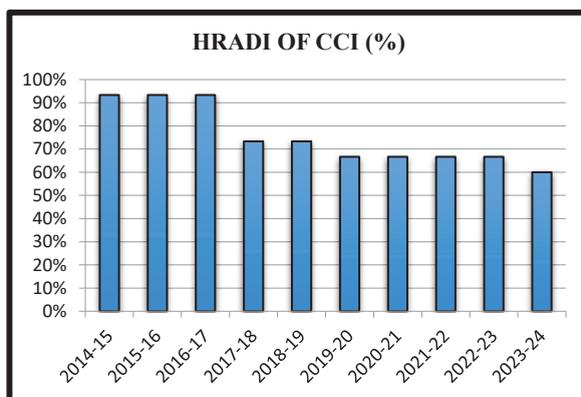
➢ **ROLTA INDIA   LTD**

It has been observed that the index was highest in FY 2014-15. This is due to the human resource valuation they used to practice at that time. Disclosure rate of the company has decreased. On an average it disclosed 36% of the variables.

HRADI OF ROLTA INDIA LTD (%)
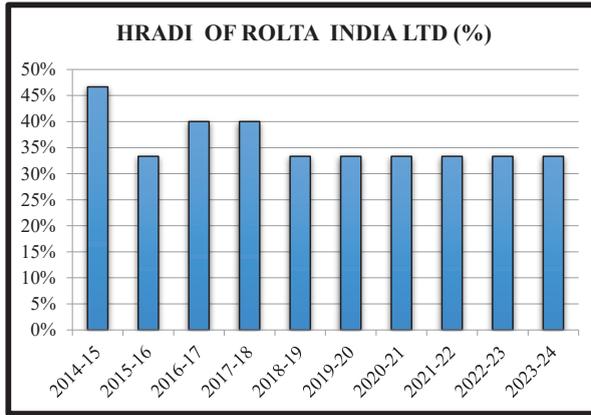
> ➢ **INFOSYS LTD**

The index dropped from 67% as Infosys stopped disclosing the value added per employee in their Additional Information.. The disclosure rate of the company has decreased. On an average the company had disclosed 61% of the variables.

HRADI OF INFOSYS LTD (%)
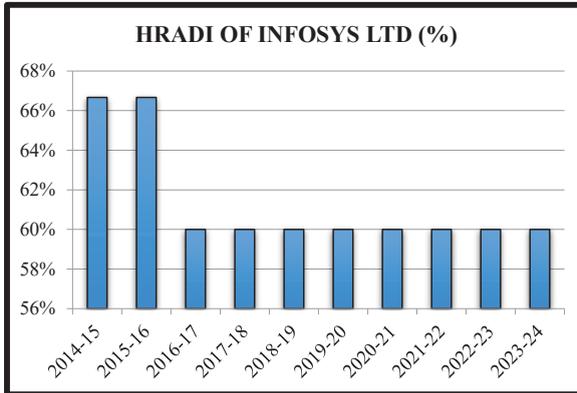
Lastly on comparing the total score of 10 years of all the companies it was found that HPCL and CCI have disclosed the maximum information related to human resource. For Rolta India Ltd the score is lowest

TOTAL HRADI (%)
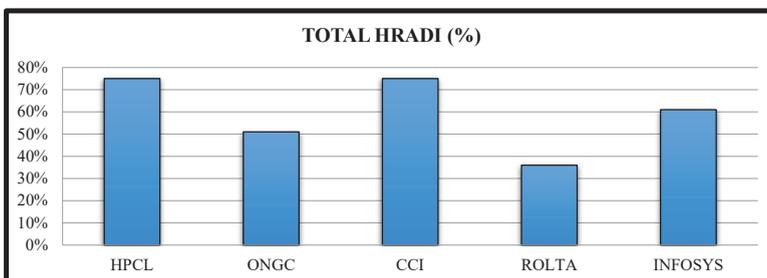
CONCLUSION

Although most companies recognized the value of human resources in annual reports, all except HPCL have stopped using HRA. HRV disclosures vary widely, likely due to no legal requirement, but all firms had used the Lev and Schwartz model. Total HRV had risen over time. ONGC and Infosys showed a strong positive correlation between PBT and HRV and HRV boosted profitability where correlation existed. Disclosure rates have dropped in the last decade except at HPCL. India's HR standards remain low. Despite the complicacy of the concept the importance of human resource is undeniable. Government should make HRA mandatory along with providing universal guidelines for accounting for and reporting the value. A standard model for valuation should also be developed Measures should be taken to increase rate of disclosure of HR information. After all, it is the humans who run the company and not the physical assets by themselves.

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7

A Study on the performance of Regional Rural Banks: with reference to selected banks in India

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Abstract

The present paper had made an attempt to discuss the financial performance of the two Regional Rural Banks of India, namely the Andhra Pradesh Grameena Vikas Bank and the Uttarbanga Kshetriya Gramin Bank, selected on the basis of net profits, for a tenure of 5 years (2019-20 to 2023-24). To measure the financial soundness of the above-mentioned sample banks, CAMEL Model (C-Capital Adequacy, A-Asset Quality, M-Management Efficiency, E- Earning Quality, and L-Liquidity) has been adopted, which is an appropriate technique to measure the soundness of banks. In order to compare the ratios under CAMEL Model for the two banks, first the collected data is tested for normality using IBM SPSS software to know whether the mean (when normally distributed) or the median (when not normally distributed) of the 5 years period is to be taken up for comparison. The paper is based on secondary data, collected from published annual reports and financial statements of the two banks.

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1. *This dissertation was done by the scholar under the guidance of Dr. Amitava Roy.*

Lastly, from the outcomes of the results the current scenario regarding the strengths and weaknesses of the banks is known which will eventually help the people in the rural parts of West Bengal.

INTRODUCTION

In India, about 68.8% of the population lives in rural areas, and nearly 58% depend on agriculture for their livelihood. When the country's banking system began to develop, most banks were set up in towns and cities, primarily serving urban customers. Credit facilities, being essential for agricultural activities, were not readily available to rural communities. As a result, rural populations were forced to rely on local moneylenders to meet their financial needs. These moneylenders often charged exorbitant interest rates, trapping generations of farmers in cycles of debt and exploitation. To address this issue and ensure adequate banking and credit support for agriculture and rural development, Regional Rural Banks (RRBs) were established.

However, the present state of RRBs, particularly in West Bengal, has become a matter of concern. The performance of these banks in the state has been unsatisfactory, affecting the rural population that depends heavily on their services. This situation forms the foundation of the research, which aims to examine the shortcomings and inefficiencies within West Bengal's RRBs. By identifying these issues, the study seeks to offer constructive suggestions that can help improve their functioning and better serve the rural communities that rely on them.

LITERATURE REVIEW

Ray & Shantnu (2021), using the CAMEL technique, evaluated the financial performance of small finance institutions in India and found notable variations in capital adequacy, asset quality, managerial efficiency, and liquidity, while earnings ratios remained largely uniform across institutions, indicating similar overall earnings positions. Nandini et al. (2021) analyzed the development, growth, and performance of rural banking over a decade (2008–09 to 2017–18) and concluded that rising branch expansion in rural areas corresponded with an increasing demand for credit driven by multiple socio-economic factors. Kumar (2018) examined the profitability of Regional Rural Banks (RRBs) in Bihar before and after their merger and determined that merger initiatives up to 2012 significantly improved the operational performance, profitability, and financial viability of RRBs, contributing to a reduction in cumulative losses. Das (2015), in a post-merger evaluation of Bangiya Gramin Vikash Bank (BGVB) and Paschim Banga Gramin Bank (PBGB), reported that although productivity per branch and per employee showed no significant change, the merger resulted in substantial differences in branch network expansion, staff strength, deposits, and investments. Similarly, Parashuramulu and Naik (2013) conducted a

diagnostic and exploratory study on the financial performance of RRBs in India between 2009–10 and 2011–12 using secondary data from RBI and NABARD, focusing on key performance indicators such as deposits, loans, branch numbers, investments, and growth rate indices.

RESEARCH GAP

A review of twenty research papers reveals extensive work on the growth and performance of Regional Rural Banks (RRBs) across both state and national levels. State-wise studies primarily focused on comparing the pre- and post-merger performance of RRBs with their sponsor banks, consistently noting improved profitability, enhanced viability, and reductions in accumulated losses following consolidation. In contrast, nation-wide analyses examined selected RRBs over five-year periods using diverse performance indicators, concluding that increased demand for credit has driven branch expansion and contributed to overall performance improvements. Despite these valuable contributions, a clear research gap remains: limited attention has been given to inter-state comparisons of RRBs, which are crucial for understanding regional disparities and identifying systemic inefficiencies over time. This gap is particularly relevant for states like West Bengal, where a large rural, agriculture-dependent population relies heavily on RRBs due to limited access to commercial banks. By comparing the financial performance of West Bengal's RRBs with those of Andhra Pradesh—currently leading in net profit—researchers can gain insights into the specific areas requiring greater oversight and targeted improvement, enabling more effective support for the rural communities that depend on these institutions.

RESEARCH QUESTIONS

1. How has the growth bin for Regional Rural Banks pertaining to India?
2. What are the strengths & weaknesses of the selected RRBs as per CAMEL approach?

RESEARCH OBJECTIVES

Consequent to the review of literature and finding the gaps in the existing body of research, for this study, the following research objectives have been identified:

1. To study the growth and performance of Regional Rural Banks (RRBs).
2. To analyse the efficiency measures as per CAMEL approach.

RESEARCH METHODOLOGY

Nature: It is a descriptive, quantitative analysis based on financial data collected over a set period. The study aims to identify each bank's strengths and weaknesses and examine the broader role of regional rural banks in rural India's development.

Period of the study: This study covers a 5-year period, from 2019-20 to 2023-24.

Data Source: This research relies mainly on secondary data**.** The sources of data will be the annual reports and financial statements of APGVB and UBKGB for the period 2018-2023

Sampling Method: The study proposes the use of the Purposive or Judgmental sampling method.

Research tools applied: The use of Financial Ratio Analysis will be the primary method for evaluating the financial health of both banks under the CAMEL framework. Components of CAMEL: C- Capital Adequacy; A- Asset Quality; M- Management Quality; E- Earnings; L: Liquidity. Furthermore, the use of IBM SPSS Software & MS Excel is also proposed to provide a quantitative analysis of the collected data.

ANALYSIS & INTERPRETATION

Objective 1: To study the growth and performance of RRBs.

Regional Rural Banks (RRBs) were established in 1975 under the RRB Act, following the Narasimhan Committee's recommendations, to provide banking services to rural populations—especially farmers, labourers, artisans, and small businesses. Designed as hybrid institutions combining cooperative outreach with commercial bank strength, they aimed to promote financial inclusion and rural development.

Phase 1 (1975–1990): The first RRB, Prathama Bank, was set up in 1975. The network expanded rapidly to 196 banks across most states. RRBs offered concessional loans to rural communities, aiding agriculture and self-employment. However, low profitability, poor infrastructure, and operational inefficiencies hampered their performance.

Phase 2 (1991–2000): RRBs faced rising NPAs and weak loan recovery. Committees recommended recapitalisation and structural reforms. Despite challenges, RRBs continued delivering credit through government schemes like IRDP but remained limited by small scale and dependence on government support.

Phase 3 (2001–2010): The government-initiated consolidation to strengthen the system. Based on the Vyas Committee, mergers reduced the number of RRBs from 196 to 82, improving efficiency, capital strength, and technological adoption (CBS).

Phase 4 (2011–Present): RRBs expanded services, adopted digital banking, and supported schemes like PMJDY and DBT. While financial indicators improved, issues such as high NPAs, limited capital, and inadequate rural infrastructure persist.

Objective 2: Analysis of the efficiency measures as per CAMEL Approach.

In order to conduct the further research, first, the normality test of the following data needs to be conducted, to check the mean (when normally distributed)

and median (when not normally distributed) in order to form the basis for comparison. The hypothesis is:

H_0: The data is normally distributed.

H_1: The data is not normally distributed.

Table 4.1

VARIABLES	SHAPRIO-WILK (Sig)
CRAR_APGVB	0.791
CRAR_UBKGB	0.318
DE_APGVB	0.253
DE_UBKGB	0.292
NNPA/TA_APGVB	0.036
NNPA/TA_UBKGB	0.407
NNPA/NA_APGVB	0.036
NNPA/NA_UBKGB	0.352
RONW_APGVB	0.459
RONW_UBKGB	0.029
PPE_APGVB	0.169
PPE_UBKGB	0.399
II/TI_APGVB	0.001
II/TI_UBKGB	0.954
CNP_APGVB	0.009
CNP_UBKGB	0.000
LA/TD_APGVB	0.614
LA/TD_UBKGB	0.294
LA/TA_APGVB	0.928
LA/TA_UBKGB	0.967

Interpretation: The normality test results show that several financial indicators for APGVB and UBKGB follow a normal distribution, making the **mean** the suitable measure for comparison. These include Capital Adequacy Ratio, Debt-Equity Ratio, Profit per Employee, and both liquidity ratios. However, indicators such as **Net NPA to Total Assets**, **Net NPA to Net Advances**, **Interest Income to Total Income**, **Change in Net Profit**, and **Return on Net Worth** show non-normal distribution for one or both banks. For these variables, the **median** is the more appropriate measure. Overall, the choice between mean and median varies based on normality outcomes.

C: CAPITAL ADEQUACY

(I) CAPITAL ADEQUACY RATIO

The hypothesis is as follows:

H_0: APGVB is not a better performer than UBKGB, in terms of CRAR.

H_1: APGVB is a better performer than UBKGB, in terms of CRAR.

CAPITAL ADEQUACY RATIO

	2019-20	2020-21	2021-22	2022-23	2023-24
APGVB	16.15	19.27	23.46	25.5	27.55
UBKGB	9.73	9.12	11.15	14.61	15.45

Fig 4.1

INTERPRETATION

The minimum CRAR that RRBs need to maintain is 9%. From the collected data, the mean of last 5 years for APGVB & UBKGB are 22.39 & 12.01 respectively. Hence, it is evident that APGVB is performing better than UBKGB in terms of CRAR, since a higher CRAR indicates better performance. Thus, the null hypothesis is rejected.

(II) DEBT-EQUITY RATIO

The hypothesis is as follows:

H_0: APGVB is not a better performer than UBKGB, in terms of Debt-Equity Ratio.

H_1: AGVB is a better performer than UBKGB, in terms of Debt-Equity Ratio.
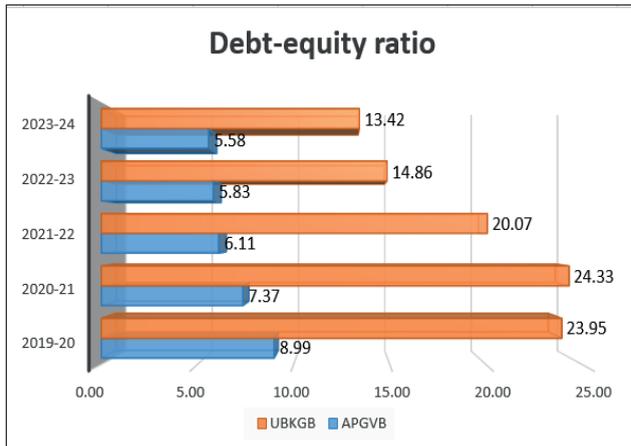
Fig 4.2

INTERPRETATION

The ideal Debt-Equity Ratio for RRBs is 2:1. From the collected data, the mean of last 5 years for APGVB & UBKGB are 6.77 & 19.33 respectively. Hence, APGVB is a clear winner over UBKGB in terms of Debt Equity Ratio, because a lower DE ratio indicates better performance. Thus, the null hypothesis is rejected.

A: ASSET QUALITY

(I) NET NPA TO TOTAL ASSETS

The hypothesis is as follows:

H0: APGVB is not a better performer than UBKGB, in terms of Net NPA to Total Assets.

H1: APGVB is a better performer than UBKGB, in terms of Net NPA to Total Assets.
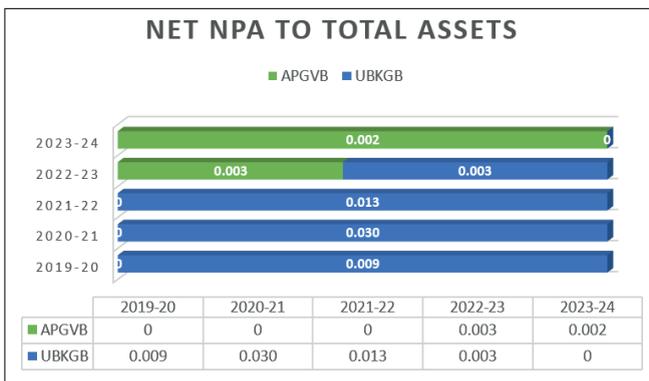
Fig 4.3

INTERPRETATION

The ideal Net NPA to Total Assets for RRBs is said to be below 1%. From the collected data, the median of last 5 years for APBGV & UBKGB are 0 & 0.009 respectively. Although, both the banks have an ideal ratio, in terms of Net NPA to Total Assets, yet with an even lower ratio, APGVB is a better performer than UBKGB. Thus, the null hypothesis is rejected.

(II) NET NPA TO NET ADVANCES

The hypothesis is:

H0: APGVB is not a better performer than UBKGB, in terms of Net NPA to Net Advances.

H1: APGVB is a better performer than UBKGB, in terms of Net NPA to Net Advances.

Net NPA to Net Advances

	2019-20	2020-21	2021-22	2022-23	2023-24
APGVB	0	0	0	0.39	0.28
UBKGB	1.88	5.33	2.11	0.47	0
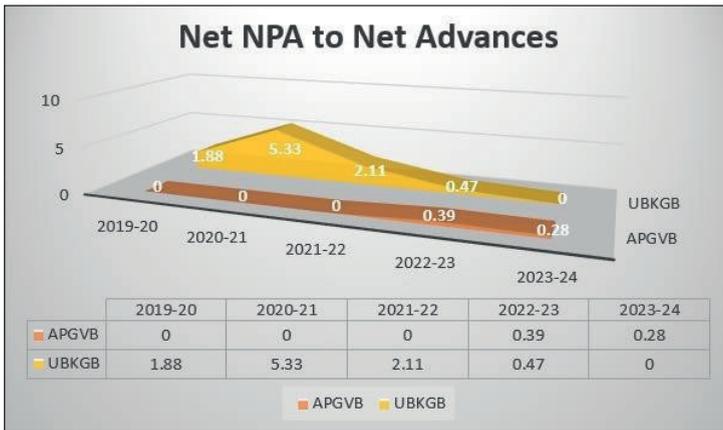
Fig 4.4

INTERPRETATION

The ideal Net NPA to Net Advances for RRBs is said to be below 1%. From the collected data, the median of last 5 years for APGVB & UBKGB are 0 & 1.88 respectively. Hence, it is evident that APGVB is a better performer than UBKGB, in terms of Net NPA to Net Advances. Thus, the null hypothesis is rejected.

M: MANAGEMENT CAPACITY

(I) RETURN ON NET WORTH

The hypothesis is:

H0: APGVB is not a better performer than UBKGB, in terms of Return on Net Worth.

H1: APGVB is a better performer than UBKGB, in terms of Return on Net Worth.
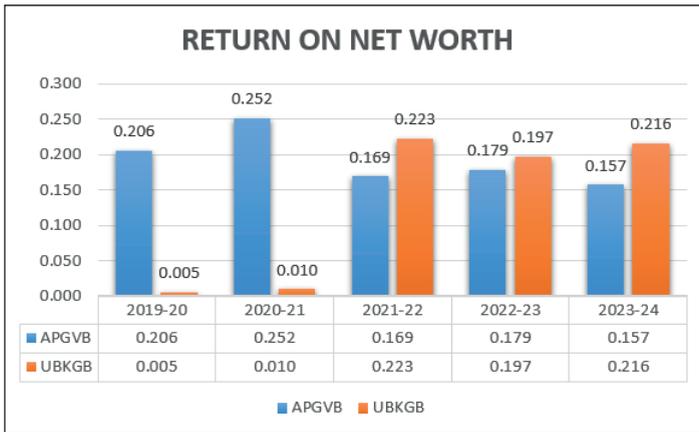
Fig 4.5

INTERPRETATION:

The ideal Return on Net worth is 0.12. From the collected data, the median of last 5 years for APGVB & UBKGB are 0.18 & 0.19 respectively. Hence, APGVB is not a better performer than UBKGB in terms of Change in Net Profit. Thus, null hypothesis is accepted.

(II) PROFIT PER EMPLOYEE (in lakhs)

The hypothesis is:

H0: APGVB is not a better performer than UBKGB, in terms of Profit per Employee.

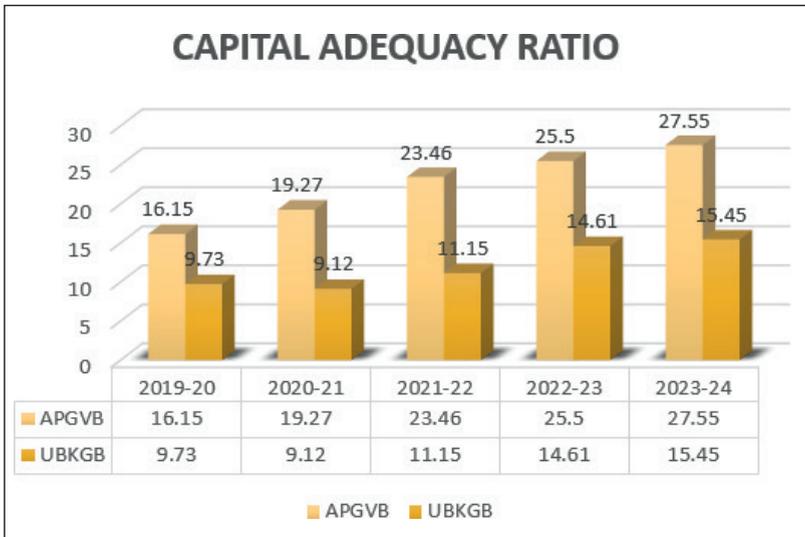H1: APGVB is a better performer than UBKGB, in terms of Profit per Employee.
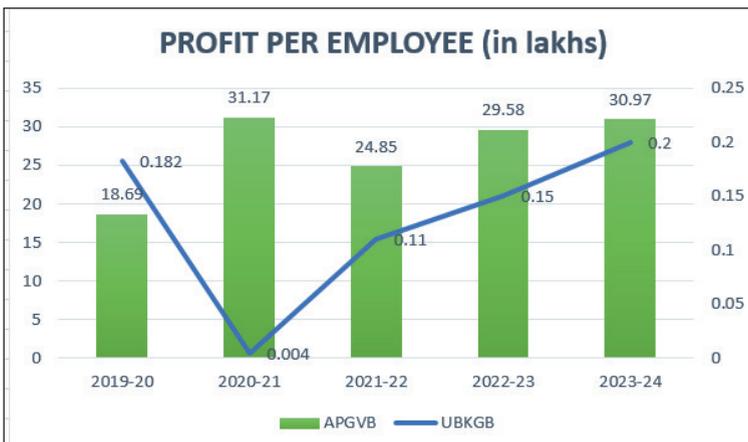
Fig 4.6

INTERPRETATION

The ideal Profit per Employee for RRBs is said to be above Rs. 5 lakhs. From the collected data, the mean of last 5 years for APGVB & UBKGB are 27.05 & 0.13 (in lakhs) respectively. Hence, APGVB is a clear winner over UBKGB in terms of Profit per Employee. Thus, the null hypothesis is rejected.

E: EARNING QUALITY

(I) INTEREST INCOME TO TOTAL INCOME

The hypothesis is as follows:

H0: APGVB is not a better performer than UBKGB, in terms of Interest Income to Total income.

H1: APGVB is a better performer than UBKGB, in terms of Interest Income to Total income.

INTEREST INCOME TO TOTAL INCOME

	2019-20	2020-21	2021-22	2022-23	2023-24
UBKGB	0.848	0.923	0.904	0.890	0.977
APGVB	0.652	0.868	0.888	0.885	0.883

UBKGB APGVB

Fig 4.7

INTERPRETATION:

The ideal Interest Income to Total Income ratio is above 0.85. From the collected data, the median of last 5 years for both APGVB & UBKGB are 0.88 & 0.90. Hence, in this case, APGVB is not a better performer than UBKGB. Thus, the null hypothesis is accepted.

(II) CHANGE IN NET PROFIT

The hypothesis is:

H0: APGVB is not a better performer than UBKGB, in terms of Change in Net Profit.

H1: APGVB is a better performer than UBKGB, in terms of Change in Net Profit.
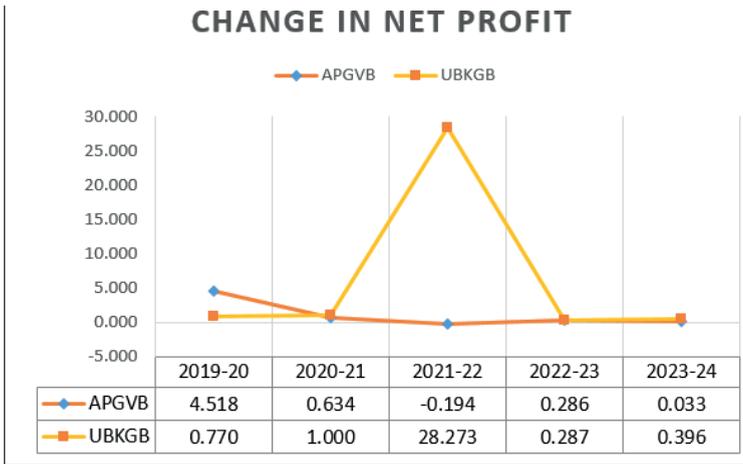
Fig 4.8

INTERPRETATION:

The Ideal Change in Net Profit is above 0.15. From the collected data, the median of last 5 years for both APGVB & UBKGB are 0.29 & 0.77 respectively. Hence, APGVB is not a better performer than UBKGB, in terms of change in net profit. Thus, the null hypothesis is accepted.

L: LIQUIDITY

(I) LIQUID ASSETS TO TOTAL DEPOSITS

The hypothesis is:

H0: APGVB is not a better performer than UBKGB, in terms of Liquid Assets to Total Assets.

H1: APGVB is a better performer than UBKGB, in terms of Liquid Assets to Total Assets.
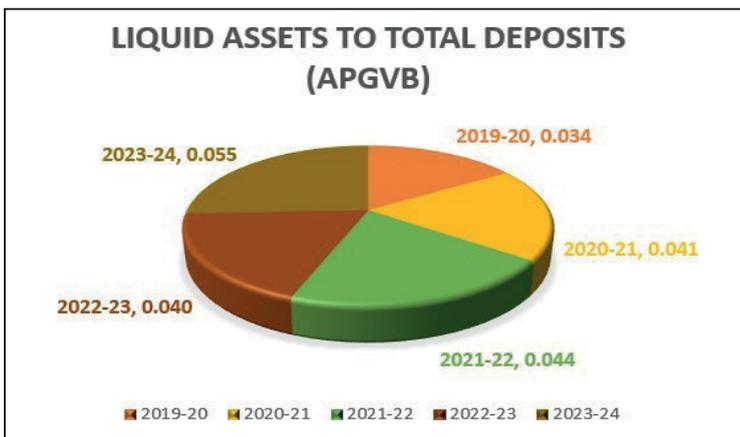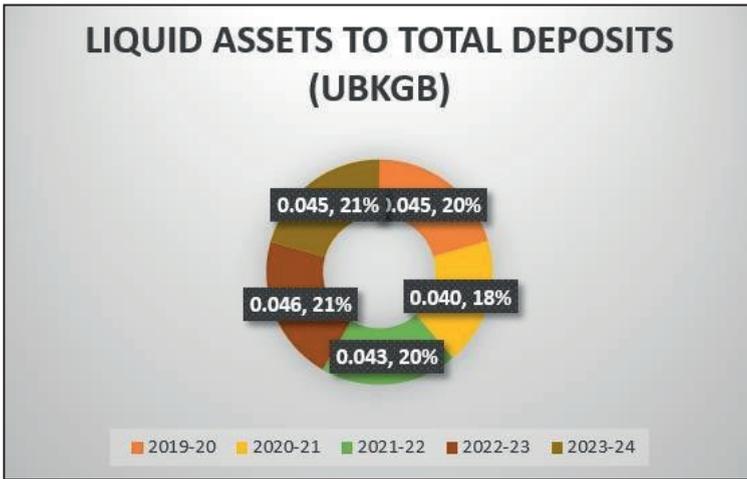
Fig 4.9

INTERPRETATION

The optimal Liquid Assets to Total Deposits ranges from 0.2 to 0.3. From the collected data, the mean of last 5 years for both APGVB & UBKGB are 0.43 &

0.44 respectively. For both the banks the ratio falls the category of risky (<0.15). In this case, UBKGB is comparatively a better performer than APGVB. Thus, null hypothesis is accepted.

(II) LIQUID ASSETS TO TOTAL ASSETS

The hypothesis is:

H0: APGVB is not a better performer than UBKGB, in terms of Liquid Assets to Total Assets.

H1: APGVB is a better performer than UBKGB, in terms of Liquid Assets to Total Assets.

	2019-20	2020-21	2021-22	2022-23	2023-24
APGVB	0.020	0.026	0.028	0.024	0.030
UBKGB	0.038	0.035	0.037	0.039	0.036
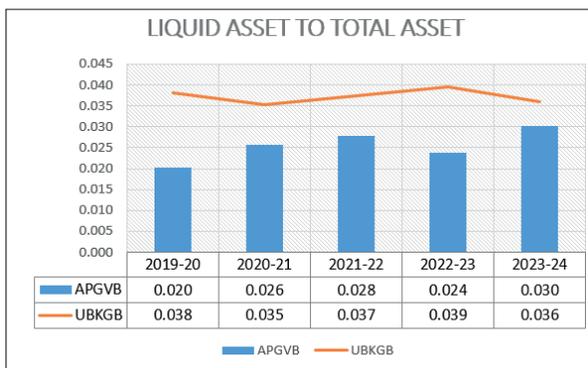
Fig 4.10

INTERPRETATION:

The optimal Liquid Assets to Total Assets Ratio ranges from 0.20 to 0.25. From the collected data, the mean of last 5 years for APGVB & UBKGB are 0.026 & 0.037 respectively. For both the banks the ratio indicates insufficient liquidity with potential difficulty in meeting sudden withdrawals or obligations (the ratio being <0.15). Although, the ratio for APGVB being even lower than that of UBKGB signifies that comparatively UBKGB is a better performer than APGVB in this aspect. Thus, null hypothesis gets accepted.

CONCLUSION

The thesis examines the growth and performance of Regional Rural Banks (RRBs) in India, focusing on APGVB and UBKGB using ten CAMEL-based financial ratios. APGVB performs better in five key ratios—CAR, Debt-Equity, NNPA/TA, NNPA/NA, and Profit per Employee—while UBKGB leads in Return on Net Worth, Interest Income ratio, Change in Net Profit, and both liquidity ratios. Considering the most critical indicators, APGVB shows stronger capital adequacy, credit risk management, and employee efficiency. The study highlights the vital role of RRBs in rural development and recommends improved governance, reduced borrower costs, better loan recovery, support for SHGs, and consistent interest rate policies.

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8

The Ripple Effect of Currency Volatility on the Profitability of Export-Driven IT Firms: A Study on the TOP 10 BSE IT Firms

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Abstract

The exchange rate, which determines the rate at which one country's currency may be converted to another, plays a vital role in shaping a country's economic situation, especially in export-reliant industries such as the information technology (IT) sector. India's exchange rate policy, managed by the Reserve Bank of India (RBI), has evolved from a fixed exchange rate system to a managed float regime, directly influencing the competitiveness of export-driven industries. The IT sector, being a global and export-dependent industry, is significantly impacted by fluctuations in the rupee's value against the US dollar. A stable exchange rate is critical for profitability and pricing structures, while volatility affects revenue, cost, and competitiveness in global markets.

This study aims to understand the link between foreign exchange rate volatility and firm profitability in the Indian IT sector.

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1. *This dissertation was done by the scholar under the guidance of Dr. Amitava Roy.*

It adopts a quantitative, evidential approach, examining the impact of foreign exchange volatility on export-based IT firms using secondary data from March 2013 to June 2019. The analysis includes top BSE-listed firms across large-, mid-, and small-cap categories and applies standard deviation models and Ordinary Least Squares (OLS) regression to evaluate the relationship between exchange rate fluctuations and profitability indicators such as ROA and ROE.

The results show that exchange rate volatility moderately affects export revenue and profitability. Regression analysis reveals that while volatility explains about 56% of variation in export earnings, effective hedging strategies—such as forward contracts and zero-cost collars—help firms like TCS and Infosys mitigate adverse effects. The study concludes that, though volatility remains a key risk factor, strong hedging and risk management frameworks significantly reduce its impact, emphasizing the importance of coordinated policy, efficient currency management, and firm-level financial planning to sustain growth and competitiveness in the IT industry.

Keywords: *Exchange Rate, BSE-listed Firms, Reserve Bank of India, Foreign Exchange Rate.*

INTRODUCTION

International economic activity also strongly depends on currency exchange rates — essentially, the volatile changes in the value of one currency against another. These changes affect an array of financial and commercial decisions; the changes are therefore felt across international operational sectors. Exchange rate uncertainty for an export-oriented sector, such as the information technology (IT) sector, is an essential determinant of financial stability, profitability, pricing policies, and competitiveness in the market. Because IT companies often bill in dominant foreign currencies, such as the US dollar (USD) or euro (EUR), and engage in a significant number of cross-border transactions, they are particularly vulnerable to currency risk.

The major reason for the vulnerability of the IT industry to fluctuations in exchange rates is the revenue model it is predominantly based on international outsourcing contracts, offshore development centres, and invoicing in foreign premises. For IT firms that earn their revenues in dollars, a sharp rise in the value of the domestic currency could lead to a drop in profit margins. Currency depreciation, on the other hand, can increase competitiveness by lowering the cost of IT services for overseas customers, which could increase demand. Nevertheless, growing import prices for software licenses, technical infrastructure, and other operational requirements could cancel out this advantage.

Since its independence in 1947, the Indian economy has seen progressive phases of its policies vis-à-vis exchange rate management. It is the evolution of India's foreign exchange policy, from a fixed exchange rate system to a managed float regime led by market forces, that has left an indelible imprint on every sector. As a global powerhouse of software services, IT consulting, and business process outsourcing (BPO), the industry mostly earns in foreign currencies, with its large

clients being America, Europe, and other developed markets. The revenues from such markets, when repatriated to India in rupees, are directly impacted by fluctuations in exchange rates. IT companies must, therefore, incorporate foreign exchange management as a core component of their financial strategy.

A chronic problem in past decades has been the volatility of exchange rates. Geopolitical tensions, global economic crises, interest rate fluctuation, and changes in trade policy have all caused currency movement to become volatile and unpredictable. The Indian rupee has gone through substantial devaluations and cycles of appreciation in the past, which have had a major influence on corporate earnings and financial management within export-based industries. Stakeholders — policymakers, corporate managers, and investors — need to understand the effect of these exchange rate movements on the profitability, pricing behavior, and market conduciveness of Indian IT companies.

This topic was chosen primarily to study the impact of exchange rate volatility on export-oriented companies emphasizing the IT sector. Furthermore, with globalization enhancing cross-border transactions, resilience of the Indian IT sector against foreign exchange risks becomes an important distinguishing factor in order to sustain growth and profitability. The study clarifies how organizations avoid currency risk by using financial derivatives that include hedging and forward contracts and also examines the Reserve Bank of India's policy interventions to stabilize currency movements to safeguard exporters' interests.

LITERATURE REVIEW

Muhammad Ali *et al.* (2022) studied the relationship between exchange rate volatility and the growth of exports in advanced nations such as Poland, Sweden, the UK, Italy, Germany, France, Denmark, Austria, and Belgium during 1980–2020. Based on panel data using the Pooled Mean Group (PMG) and individual cointegration approaches, the paper assesses the impact of exchange rate volatility on export growth in both the short and long run. The results indicate that exchange rate volatility suppresses export growth in the short run but accelerates it in the long run. Except for Sweden and Italy, most countries show that volatility had a beneficial long-term impact on exports, thus highlighting how exchange rates and exports tend to move together in developed economies.

Gupta (2020) focuses on the aggressive nature of the Indian currency, susceptible to change in USD, during the post-liberalization period of 1990–2017. The study shows a fluctuation in the INR/USD exchange rate from 22.3 in 1991 to 64.4 in 2017. Exports of consumer goods rose from 7,245 million USD in 1991 to 117,502 million USD in 2017. Gupta offers empirical evidence that currency rate swings directly influence India's trading patterns and underscores that shifts in the U.S. economy can severely impact the INR, reaffirming the interdependence between exchange rates and trade flows.

Rahman (2020) investigates the impact of exchange rate volatility on trade in Bangladesh using monthly data from 2013 to 2019 and models such as ARCH,

GARCH, and EGARCH. The results show that exchange rate volatility has a detrimental effect on trade, though no leverage effect is found. The study emphasizes that efficient foreign exchange market management and accurate exchange rate determination are crucial for sustaining long-term trade growth.

Mendali (2016) analyzes fluctuations in currency rates and their impact on India's imports and exports. The study shows that exchange rate volatility has little long-term impact but significant short-run effects. Imports are negatively impacted by volatility, and no J-curve effect exists in India's trade dynamics.

Upadhyay & Ghosh (2016) used multiple regression analysis on 47 quarters of data (2000–2012) to examine India's software service exports. The study highlights the dependence of the software industry on external demand, especially from the U.S. and Europe, and finds that changes in the REER affect profitability. Despite hedging mechanisms, Indian IT firms remain highly sensitive to exchange rate variations.

RESEARCH GAP

1. Although earlier research has examined how exchange rate volatility affects businesses generally, little of it focuses on the effects of exchange rate variations on the Indian IT sector, which is highly dependent on foreign currency profits and exports.

2. Analyzing the effect of foreign exchange exposure on the IT industry alone using profitability as the main variable.

3. Since this research article is based on the short time frame of 2020–2025 (5 years), it might not be able to fully address the larger issue.

4. Although some studies use more sophisticated methods such as ARCH, GARCH, or EGARCH to evaluate the effects of exchange rates, Auto-Regressive models that take volatility clustering into account have not been extensively employed when analyzing the exchange rate vulnerability of the IT sector. The impact of foreign exchange exposure is examined in this paper solely using the regression standard deviation.

OBJECTIVES OF THE STUDY

1. To evaluate the dependency of IT export revenue from key regions (like the US or Europe) on exchange rate volatility

2. To analyze the impact of foreign exchange exposure on the profitability of IT firms in the

3. Indian market, examining fluctuations in currency rates

RESEARCH METHODOLOGY

This research adopts a quantitative-evidential study by examining the impact of foreign exchange volatility on the profitability of Indian IT companies (export earning-based companies). It focuses on recognizing the foreign exchange exposure of these companies and measuring the impact of this exposure on

profitability. For a holistic view, the analysis covers IT firms from multiple market segments—large-cap, mid-cap, and small-cap—leveraging time-series data and econometric models to unveil volatility and profitability factors.

This research is mainly based on secondary data, considering key drivers like USD/INR exchange rate, stock prices, and financial data from sample companies. Exchange rate data is available from the Reserve Bank of India (RBI) database, company financials are taken from Annual Reports, and historical stock prices are available from Yahoo Finance. The sample period from March 2013 to June 2019 allows for a full examination of exchange rate fluctuations over these years.

The sampling approach used is purposive sampling among IT companies listed on BSE (Top 10) with at least 50% of revenue from exports. This ensures that only firms highly sensitive to exchange rate fluctuations are considered. To reflect variations across market segments, the sample is segregated into large-cap, mid-cap, and small-cap IT firms.

The study uses a combination of models to analyze the impact of exchange rate volatility on profitability. Standard Deviation (per day on a quarterly basis) models are used to study exchange rate volatility and its impact on firm gains/losses. To analyze the effect on profitability, the study utilizes the Ordinary Least Square (OLS) method. Key control variables such as GDP growth rate and inflation are included in the model.

The study aims to establish a quantifiable link between exchange rate fluctuations and profitability of Indian IT firms, acknowledging that while large-cap firms have stronger hedging mechanisms, small- and mid-cap firms remain more vulnerable.

ANALYSIS AND INTERPRETATION

The correlation and regression results highlight the complex interaction between exchange rate volatility and the profitability of export-oriented IT firms in India. The correlation table reveals how variables move together, ranging between -1 and 1. The correlation between LN-EXPORT and LN-VOLATILITY (−0.007) is almost zero, indicating that volatility has little direct influence on export revenue. Similarly, LN-EXPORT and LN-US-GDP-GROWTH (0.12) show a weak positive correlation, while LN-EXPORT and LN-INFLATION (0.93) exhibit a surprisingly high positive correlation. LN-VOLATILITY and LN-US-GDP-GROWTH (0.442) demonstrate a moderate positive relationship, suggesting volatility may increase during periods of economic expansion. However, the nearly nonexistent relationship between volatility and export revenue contradicts economic expectations, possibly due to sample limitations or the heavy use of hedging instruments by IT firms.

Regression results further reinforce this observation. The constant value of 10.310 indicates baseline export levels, but the LN-VOL coefficient (−0.77) shows that higher volatility tends to reduce export revenue, although this result is statistically insignificant (p = 0.831). Likewise, GDP (−0.01, p = 0.999) and Inflation (0.169, p = 0.509) coefficients are insignificant. The model's R^2

value is 0.099, meaning only 9.9% of export variability is explained by these variables, and the adjusted R^2 (0.010) confirms a weak model fit. The ANOVA test supports this, with an F-statistic of 19.52 but a p-value of 0.928, indicating overall insignificance. These results suggest that export performance is largely influenced by other factors, such as global demand, technology dynamics, and hedging strategies that insulate firms from currency shocks.

Firm-level evidence further supports this pattern. For instance, Tech Mahindra's hedging data shows exposure management across multiple currencies—USD (1,759 Mn at 83.3 INR/USD), GBP (257 Mn at 106.3 INR/GBP), and EUR (215 Mn at 95.0 INR/EUR)—demonstrating active risk management through strike rate adjustments. Similarly, TCS employs a broad mix of derivative instruments, including foreign exchange forwards, currency options, and futures, designated as cash flow hedges. These strategies significantly reduce exchange rate risk, stabilizing cash flows despite volatility in global currency markets. The combination of designated and non-designated hedge positions explains the moderate correlation between exchange rate volatility and export revenue.

For profitability measures, regression outputs reveal that exchange rate volatility positively and significantly affects ROA and ROE. Specifically, a 1% increase in USD/INR volatility corresponds to approximately a 0.28% rise in ROA (p = 0.002) and a 0.25% rise in ROE (p = 0.001). The within R^2 values are 0.3136 for ROA and 0.4174 for ROE, indicating that 31% and 41% of profitability variation is explained by the independent variables. The F-statistics ($F_{(3,37)}$ = 5.64, p = 0.0028 for ROA; $F_{(3,37)}$ = 8.84, p = 0.0002 for ROE) confirm that the models are statistically significant.

The findings indicate that while exchange rate volatility influences profitability, its impact is moderated by firm-specific strategies. Large-cap IT firms demonstrate resilience due to sophisticated hedging mechanisms, while mid-cap and small-cap firms are more vulnerable to fluctuations. The moderate negative correlation between rupee appreciation and profitability aligns with economic expectations—depreciation of INR enhances export earnings, while appreciation compresses margins.

Overall, the results confirm that exchange rate movements explain a significant but partial portion of profitability variance. Advanced hedging practices and diversified global operations have effectively reduced the direct exposure of large Indian IT firms, resulting in moderate correlations and limited volatility impacts on overall financial performance.

CONCLUSION

This study aimed to explore the simultaneous effects of exchange rate volatility on revenue and profit in the Indian IT industry, controlling for other macroeconomic factors such as US GDP growth and inflation. The results show that exchange rate volatility is an important but moderate factor influencing export revenue. The regression analysis reveals that about 56% of the variation in export earnings is explained by volatility, while the remaining 44% is attributable

to other determinants. This moderate relationship can be partly explained by the effective use of hedging instruments like long-term forward contracts and zero-cost collars, which mitigate the adverse impacts of currency movements. Case studies of TCS and Infosys demonstrate how such instruments enable firms to secure favorable exchange rates and stabilize revenues even amid unfavorable market shifts.

The impact of exchange rate volatility on profitability, measured through ROA and ROE, is statistically significant but moderate in magnitude. A 1% increase in volatility corresponds to small rises in ROA and ROE (0.28% and 0.25%, respectively). The explanatory power of these models—31.36% for ROA and 41.74% for ROE—indicates that firm-level operational efficiencies, strategic management, and broader macroeconomic factors play more decisive roles. The negligible downside on profitability suggests that existing hedging mechanisms are sufficient to cushion the effects of currency fluctuations on financial performance.

The findings also confirm that US macroeconomic indicators—GDP growth and inflation—have minimal direct impact on export revenue and profitability of Indian IT firms. The empirical results suggest that internal finance and hedging strategies exert a stronger stabilizing influence than external economic linkages.

Overall, exchange rate volatility remains a key risk factor, but derivative instruments and hedging practices substantially reduce its impact. Managerially, IT firms should strengthen currency risk management through predictive analytics, advanced hedging, and diversification across multiple currencies and markets. Policy-wise, consistent RBI intervention and stable currency management will further support export competitiveness.

Future research could employ more refined econometric models like ARCH, GARCH, or EGARCH to analyze volatility clustering or extend the analysis to other export-oriented sectors. Broader data coverage and comparative sectoral studies would enhance understanding of how external shocks and firm-level strategies interact in shaping financial outcomes in a globalized economy.

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Effect of Emotions on the Share Market Investment Decisions: A Study on Kolkata Based Corporate Employees

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Abstract

This study investigates the impact of emotional and unconscious psychological processes on investment decisions, with a particular emphasis on corporate employees based in Kolkata who invest in the Indian share market. While traditional finance considers investors to be rational, and behavioral finance recognizes cognitive biases, both ignore the importance of unconscious emotions. Emotional finance, based on psychoanalytic theory, fills this vacuum by investigating how emotions such as fear, greed, regret, anxiety, and overconfidence influence financial decisions. The study reveals significant demographic trends in investor participation. Younger and more educated people have a higher risk tolerance and financial understanding, whereas elderly investors take a more conservative approach aimed at preserving capital. Corporate employees are especially sensitive to biased decision-making because they are frequently impacted by market noise, social demands, and a lack of time for study.

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1. *This dissertation was done by the scholar under the guidance of Prof. Ankita Samanta*

Factor analysis identifies four primary emotional components that influence investment decisions: recovery and emotional reactivity, loss aversion and risk, intuition and overconfidence, and optimism. Correlation research reveals strong relationships between regret, emotional bias, herd behaviour, fear, and greed, demonstrating how these emotions interact to impact investment behaviour. The regression results show that greed, regret, emotional bias, and impulsivity significantly diminish long-term investment affinity. In contrast, fear, herd behavior, optimism-pessimism cycles, and risk tolerance have no substantial predictive power in this model.

Overall, the study emphasises the necessity of identifying unconscious emotional motivations in financial decision making. Increasing investors' emotional awareness can help them make more steady and reasonable investing decisions.

Keywords: *Corporate Employees, Emotional Finance, Investment Behaviour, Unconscious Emotions*

INTRODUCTION

The study emphasizes how unconscious emotions have a considerable impact on investor behavior, which is often disregarded by both traditional and behavioral finance. While traditional finance assumes rationality and behavioral finance acknowledges biases, neither addresses deeper emotional and psychological motivations. Emotional finance bridges this gap by describing how hidden emotions, desires, and imaginations influence financial decisions beyond conscious reasoning.

Emotional finance, based on psychoanalytic theory, contends that financial decisions are influenced by both conscious and unconscious emotional processes. The inherent instability of financial markets elicits strong emotional responses, such as exhilaration, fear, worry, and hope. Psychoanalysis describes these feelings as either enjoyable or unpleasant, and investors frequently unconsciously suppress negative emotions like anxiety or uncertainty to maintain psychological stability. Although investors understand that markets fluctuate, they may unintentionally hold onto optimistic dreams, believing that stock values will continue to grow, which contributes to erroneous risk perception.

The paradigm also incorporates psychoanalytic group dynamics, perceiving financial markets as enormous virtual communities with common emotions, imaginations, and behavioral patterns. Corporate personnel engage in a variety of investment habits, including excessive risk-taking motivated by excitement or avoidance of chances owing to fear of loss. Individuals' financial goals, risk tolerance, and decision-making processes vary, but emotional influences are consistent. The study's goal is to provide insights that can help enhance financial decision-making by relating emotional finance to business investment behaviour.

LITERATURE REVIEW

The literatures show a rising emphasis on comprehending the emotional, psychological, and behavioral elements that drive financial decision-making. Edinburgh Research Explorer (2024) stated that traditional investment theories fail to capture real-world practices, revealing through interviews with fund managers that investment decisions are deeply influenced by anxiety, unconscious mental defences, and emotional reliance on company management rather than purely rational analysis.

Almansour (2023) found strong effects of herding, disposition effect, overconfidence, and blue-chip bias in the Saudi equities market, with risk perception serving as a key mediator.

Dumanli and Aren's (2021) notion of emotional finance emphasizes unconscious processes, phantasy, narrative, and social mood, stating that emotional forces play a vital role in the construction of bubbles and crises. Taffler (2021) supported a psychoanalytic model that explains how emotionally charged market phases contribute to asset price bubbles. Aren and Hamamci (2021) found that phantasy, group feel, and herding influence investing preferences, especially during bubble periods. Guler (2021) demonstrated that both rational and irrational investor emotion had a major impact on Bitcoin returns during the COVID-19 pandemic, with FOMO playing a key role. Statman (2014) contended that behavioral finance substitutes the assumption of rational investors with genuine, psychologically driven individuals, hence altering portfolio theory and asset pricing. Taffler and Tucket (2005) showed that unconscious emotions, not rational valuation, drove the dot-com bubble, with investors idealizing stocks as phantastic objects, distorting prices across five psychoanalytic phases. Barber and Odean (1999) offered early empirical evidence of emotional biases, demonstrating that overconfident investors, particularly men, trade excessively, reducing net returns.

RESEARCH GAP

While many research papers have investigated behavioral finance in general, most have focused on crisis periods and specific bubbles which are of short duration, with minimal study looking at how emotional elements influence long-term investing strategies and retirement planning, hance a situational gap exists.

More research needs to be done on how emotional finance affects markets in a normal situation and in its long-term impacts. There is a gap in understanding how emotions and biases influence longer-term investor decisions, particularly in the context of passive investment techniques incorporating emotions too.

A vast corpus of research challenges traditional models for providing primarily subjective insights, with few quantitative techniques incorporating emotional and cognitive biases. As AI, robot-advisors, and algorithmic trading continue to impact financial behaviour, investigating how technology can perceive human emotions may bring up new forecasting opportunities.

A geographical divide persists, as emotional finance is rarely studied in the Indian corporate sector, particularly Kolkata as studies acknowledge cultural implications on investment decisions.

RESEARCH QUESTIONS

➢ What conscious and unconscious emotional factors influence corporate employees' investing decisions in the Indian share market under regular circumstances?

➢ How can emotional drivers like fear, anxiety, enthusiasm, optimism, and denial influence corporate employees' long-term investment decisions?

➢ How much are corporate employees aware of the share market and different branches of finance, and how does this awareness or lack thereof influence their investment decisions?

➢ How can cultural and contextual aspects in the Indian business environment, particularly in Kolkata, influence how emotional finance informs investment decisions?

RESEARCH OBJECTIVES

1. To identify the different emotional factors/drivers which plays in the mind of the investors while making investments in the Indian share market during a normal situation.

2. To analyze how emotions influence the long-term decisions of the investors.

RESEARCH METHODOLOGY

This study uses a **descriptive research design** and a qualitative technique to investigate how conscious and unconscious emotions influence corporate employees' investment decisions in Kolkata during typical market conditions. The qualitative nature enables a thorough comprehension of subjective emotional drivers like fear, greed, confidence, and anxiety, which standard models sometimes ignore.

Purposive sampling was used to collect data from **December 2024 to February 2025**, with a focus on **116** corporate employees who actively participate in stock. To collect emotional reactions, a structured questionnaire with demographic characteristics, emotional elements, and long-term decision influences was delivered using a **5-point Likert scale**.

Analytical tools included descriptive statistics, Cronbach's Alpha for reliability, Shapiro-Wilk and Kolmogorov-Smirnov tests for normality, and factor analysis, Pearson correlation, and multiple regression (using IBM SPSS) to identify emotional patterns and measure their impact on investment behavior. Microsoft Word and Excel were used to prepare the questionnaire and report the results.

ANALYSIS AND INTERPRETATIONS

Cronbach Alpha measures the internal consistency of the 26 items present in this data set. A value of **0.703** indicates acceptable reliability. The items in this sample

are reasonably consistent and can be used for further analysis. Both normality tests, Shapiro-Wilk and Kolmogorov-Smirnov reject the null hypothesis (H_0: The sample is drawn follows a normal distribution; H_1: Then sample does not follow a normal distribution.), hence we infer that the data is not normally distributed

The study shows a clear gender imbalance, with **79.3%** male investors. Younger participants (**61.2% under 35**) display higher risk appetite, while those above **50** are more conservative. Most respondents (**93.6%**) are well-educated, supporting greater financial confidence. Middle-income earners (**₹4–20 lakh**) are the most active investors, reflecting strong wealth-building motivations.

FACTOR ANALYSIS

The set of 12 questions (items) measures the emotions of respondents and were used to find the underlying factors in it. It is observed that here the **KMO value is 0.646**, which more than 0.5, hence the value is acceptable. Here the first component is the principal component, which explains the maximum percentage of **variance 21.228%**.

According to factor analysis **4 components** have been extracted based on **Eigen values greater than 1** (refer to the tables below).

Grouping of the Emotions into Components:

EXTRACTED COMPONENTS	EMOTIONS GROUPED	LOADINGS	FACTOR / GROUP NAME
Component 1:	Desire to recover (determination)	0.719	Recovery and Emotional Reactivity
	Earlier Gains/Losses (pride/ regret)	0.691	
	Frustration	0.680	
	Euphoria	0.585	
	Anxiety	0.531	
Component 2:	Loss Aversion	0.740	Loss Aversion and Risk
	Greed of more	0.613	
	Fear of losing	0.534	
Component 3:	Trust on Instincts	0.841	Intuition and Overconfidence
	Over confidence	0.704	
Component 4:	Hope	0.734	Optimism
	Confidence	0.658	
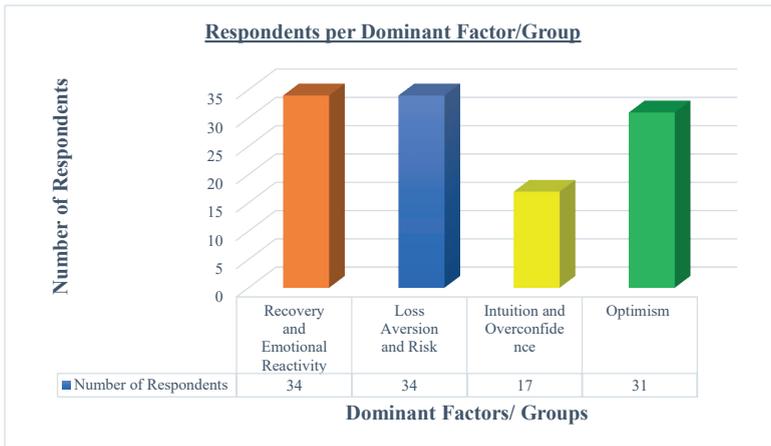
The findings show that emotional factors strongly influence investor behaviour. The largest share of respondents **(34) exhibited *Recovery and Emotional Reactivity* and (34) exhibited *Loss Aversion and Risk*, indicating that about 59%** are either highly affected by past financial outcomes or strongly focused on avoiding losses. These investors tend to react intensely to market movements and prefer cautious, risk-averse strategies.

A smaller group **17 respondents, (~15%) showed *Intuition and Overconfidence*,** meaning only a few rely on gut feelings or excessive confidence when investing. Most investors instead prefer thoughtful, analysis-based decision-making.

Additionally, **31 respondents (~27%) demonstrated *Optimism*,** reflecting confidence, resilience, and a willingness to take calculated risks. This promotes steadier long-term investing despite past setbacks.

Overall, the emotional landscape shows that past experiences and loss sensitivity dominate decision-making, while optimism supports stability and balanced judgement, and overconfidence plays a minimal role.

CORRELATION ANALYSIS

The correlation matrix shows the **Pearson correlation coefficients for eight variables: FEAR, GREED, HEROB, REGRET, OPTPST, EMOBIAS, IMPULSE, and RISKTO**

Regret shows the strongest link with emotional bias (0.395), indicating that investors who dwell on past mistakes are more prone to distorted, emotionally driven decisions. Regret Theory and Dual Process Theory explain how such investors rely on fast, emotional thinking, leading to either excessive caution or risky attempts to recover losses.

Regret also correlates with herd behaviour (0.363), suggesting that fear of missing out pushes investors to follow the crowd. Herding Behaviour Theory supports this cycle, where following others helps avoid regret but often results in decisions detached from personal analysis.

The relationship between the **Optimism–Pessimism Cycle and greed (0.359)** shows that emotional swings fuel risk-seeking behaviour. Prospect Theory explains how optimism heightens greed and risk-taking, while pessimism suppresses it, creating a feedback loop of fluctuating risk appetite.

Greed's correlation with herd behaviour (0.326) highlights how the desire for quick profits drives crowd-following, especially during bubbles dominated by FOMO. Prospect Theory links this to short-term risk-seeking.

Finally, fear correlates with emotional bias (0.298), revealing how fear amplifies biases like loss aversion. Behavioural Portfolio Theory shows that fearful investors often make conservative or irrational decisions, such as panic selling, underscoring the deep influence of fear on biased financial choices.

Regression Analysis of the Emotions Related to Long-Term Investment Decisions

The regression analysis determines which emotions have the strongest influence on long-term financial decisions. The model's **R-Square of 0.636** explains the **63.6%** of the variation in LTINAF, indicating a strong match. The strong **F-value 23.397** and significant p-value (0.000) support the model's dependability. Overall, the findings indicate that the predictors have a significant effect on long-term investment affinity. The analysis identifies four key emotional factors i.e. **greed, regret, emotional bias, and impulse**.

Regression Equation:

$LTINAF = \beta_0 + \beta_1 \cdot GREED + \beta_2 \cdot REGRET + \beta_3 \cdot EMOBIAS + \beta_4 \cdot IMPULSE + \epsilon$

Where:

➢ LTINAF is the dependent variable representing long-term investment affinity.

➢ β_0 is the intercept (constant term).

➢ $\beta_1, \beta_2, \beta_3, \beta_4$ are the regression coefficients.

➢ ϵ is the error term, representing the variation in LTINAF that cannot be explained by the independent variables.

Coefficients from the Analysis:

➢ **$\beta_0 = 2.841$ (Intercept)**

➢ **$\beta_1 = -0.090$ (Coefficient for GREED)**

➢ **$\beta_2 = -0.096$ (Coefficient for REGRET)**

➢ **$\beta_3 = -0.157$ (Coefficient for EMOBIAS)**

➢ **$\beta_4 = -0.092$ (Coefficient for IMPULSE)**

Final Regression Equation:

$LTINAF = 2.841 - 0.090 \cdot GREED - 0.096 \cdot REGRET - 0.157 \cdot EMOBIAS - 0.092 \cdot IMPULSE + \epsilon$

Interpretation of Equation:

➢ The intercept (β_0=2.841) represents the baseline level of long-term investment affinity when all independent variables are zero.

➢ The negative coefficients for GREED, REGRET, EMOBAIS, and IMPULSE indicate that higher levels of these emotions are associated with a decrease in long-term investment affinity.

➢ The error term (ϵ) accounts for any variability in LTINAF that is not explained by the included independent variables.

The regression coefficients for **greed (-0.090), regret (-0.096), emotional bias (-0.157),** and **impulsivity (-0.092)** suggests that investors who are driven by greed, regret, emotional biases, or impulsive behaviour are less likely to make rational, long-term investment decisions. Emotional bias **(EMOBAIS)** has the greatest negative impact, with a **value of -0.157, showing the important role cognitive distortions play in weakening long-term investment strategies.** The **intercept (β_0 = 2.841)** indicates the initial level of long-term investment affinity when all independent variables (emotional factors) are zero.

Greed drives investors to pursue short-term gains at the expense of long-term stability, particularly during market bubbles. Regret aversion discourages long-term commitments for fear of repeating past mistakes. Emotional biases, like as overconfidence and anxiety, can impede logical decision-making, especially in turbulent markets. Impulsivity promotes frequent, uncontrolled trading. Together, these emotions erode long-term investment discipline, but their absence indicates a stronger inherent preference for long-term financial decisions.

CONCLUSION

This study finds a significant gender discrepancy in participation, with over **79%** male respondents, implying that societal expectations and confidence disparities influence women's financial engagement. Age variations also influence risk attitudes: young investors **(under 35)** have a larger risk appetite, driven by optimism, whereas elderly participants **(over 50)** choose stability and capital preservation. Education appeared as a crucial driver to financial confidence, with most respondents holding undergraduate, postgraduate, or professional degrees and actively participating in equities markets. Mid-level professionals, particularly executives and managers, were the most active investors, while those earning between **₹4 lakh and ₹20 lakh** yearly constituted the core market participants.

Factor analysis identified four major emotional components that influence investment decisions: **recovery and emotional reactivity, loss aversion and risk, intuition and overconfidence, and optimism**. Past financial outcomes influenced current conduct, with losses instilling dread and caution and winnings stimulating risk-taking and overconfidence, resulting in either overly cautious or hasty decisions.

Correlation analysis revealed substantial emotional links. **Regret exhibited the strongest association with emotional bias**, indicating that previous mistakes strongly influence future decisions. **Herd behaviour was linked to regret and greed**, demonstrating how the fear of missing out drives group decisions. **Greed was linked to fluctuations in optimism and pessimism**, which boosted risk-taking in rising markets. **Fear was also associated with emotional bias**, emphasizing its involvement in loss-averse and illogical behavior.

Regression analysis showed that **greed, regret, emotional bias, and impulsivity** significantly reduce better long-term investment decisions, explaining **63.6%** of behavioural variance. **Emotional bias had the strongest negative effect**. In contrast, fear, herd behaviour, optimism–pessimism, and risk tolerance were statistically insignificant in predicting long-term investment preferences. The study suggests that unconscious emotional dynamics have a significant impact on investment decisions, highlighting the importance of incorporating emotional finance into investor education, advice procedures, decision making process and other investment practices.

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SECTION-2
MARKETING

10

Sustainable Livelihood of Women Handloom Weavers of Kanjeevaram Silk: A Study

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Abstract

Kanchipuram silks, renowned for their luxurious texture and intricate designs, have a rich cultural heritage deeply rooted in the town of Kanchipuram in Tamil Nadu. The present study is to ascertain the problems faced by women handloom weavers in Kancheepuram and to delve into the strategies used by the government and non-government agencies to develop the weaving sector in Kancheepuram. Kancheepuram, a mid-sized village in Chennai, is the epitome of crafting the world-famous and one of the most heritage-preserved, rich in culture and handicrafts-Kanjeevaram sarees. These Kanjeevaram sarees are made from pure silk fabrics on which handcrafted designs are furnished and embroidered by the artisans using pure gold, silver and bronze zari. While Kanjeevaram sarees are in demand heavily and cherished all over the world for their traditional heavy handwork, very few know about their origin and the actual place where these sarees are originally made and most importantly, the women weavers who are behind performing such handloom activities that provide us with these glorifying handcrafted Kanjeevaram sarees, even though they encounter a lot of struggles.

Although this handloom sector sounds very dominant, it is going through a lot, from facing the competition of fake and power loom sarees sold at aggressive prices to the women weavers' own challenges in making these sarees and the continuance and preservation of this culture and essential skills in crafting Kanjeevaram sarees. We have investigated deeper into the ground reality to surface the situation and have worked to analyze a few solutions to it.

Keywords: Women Handloom Weavers, Artisans, Sustainability, Cultural Significance.

INTRODUCTION

The handloom industry occupies a distinct and significant place in Indian society, serving as the largest source of non-farm rural employment and contributing substantially to the national economy (Surayya, 2015). According to the Handloom Census (2009–10), handloom is the second-largest employment provider after agriculture, engaging 27.83 lakh households, of which 77% are women in rural areas. This highlights the sector's crucial role in women's economic empowerment and rural development. In the Thenzawl handloom cluster, 98 out of 205 micro enterprises are led by women, reflecting the growing trend of women's entrepreneurship among underprivileged tribal communities (Ramaswamy, 2013).

Women's entrepreneurship, supported through India's Five-Year Plans, has been instrumental in addressing gender inequality, empowerment, and economic inclusion, with women-owned MSMEs contributing significantly to poverty eradication and local economic growth (Hazarika & Goswami, 2018). Globally, the recognition of creative industries as key contributors to both economic progress and cultural identity preservation has grown (Wanniarachchi, 2020; UNCTAD, 2010; UNESCO, 2013). Crafts, as expressions of traditional knowledge and community identity, embody creativity that drives sustainable and inclusive development (Wood, 2011).

LITERATURE REVIEW

The Indian handloom industry continues to face multifaceted challenges threatening its sustainability and growth. **Harpanahalli *et al.* (2023)** highlight that the sector is primarily dominated by older weavers, with an average age of 55, limiting innovation and endangering the industry's revival. Despite certain youth involvement in regions like East Godavari and Ananthapur, issues such as low wages, poor cooperative management, rising input costs, and ineffective government support persist. Coupled with competition from cheaper power loom products, the survival of the handloom sector depends on strategic governmental interventions and impactful marketing initiatives. **D'Costa (2021)** examines the decline of India's handloom sector amidst capitalist expansion, emphasising its vulnerability despite state assistance. The study argues that supply-side measures alone are inadequate, advocating for a demand-driven

approach that leverages cultural nationalism and consumer identity. The author suggests integrating state support with branding efforts to showcase the artisanal distinctiveness of handloom products, thereby balancing cultural preservation with economic viability under global capitalist pressures. **Shrivastava (2020)** explores sustainable revival strategies in the handloom and handicraft sectors through case studies in Bhagaiya (Jharkhand) and Kutch (Gujarat). The research identifies the importance of government programs such as *Vocal for Local*, *Make in India*, and *Atmanirbhar Bharat* in empowering rural weavers. The use of natural fibres, sustainable materials, and eco-friendly dyes has contributed to both environmental preservation and renewed market opportunities. **Dias et al. (2020)** employ a symbolic interactionist and ethnographic approach to study cultural identity among Ri-Bhoi women weavers in Meghalaya. The findings reveal how weaving strengthens tribal identity, community bonding, and self-fulfilment, even amid modernisations. The study underscores the social and cultural significance of weaving and calls for expanded research on socio-political and economic contexts affecting weavers. **Wanniarachchi & Dissanayake (2020)** focus on sustainability in Sri Lanka's handloom sector, emphasising how creative industries can drive socio-economic development. Based on case studies and semi-structured interviews, their research concludes that design innovations, closed-loop manufacturing, and community entrepreneurship can promote sustainable growth and global competitiveness in the craft sector. **Mahalingam & Balakrishnan (2019)** assess training and modernisation programs for handloom weavers in Tamil Nadu. Although India contributes 90% of global handloom production, the study reveals that nearly 43 lakh weavers live in poverty. The authors recommend localised training initiatives covering marketing, human resource management, and costing to enhance productivity and skill upgradation. **Bagchee (2018)** focuses on conserving the tangible heritage of traditional saree weaving clusters such as Chanderi. Through qualitative fieldwork, the study documents the architectural and cultural value of weavers' home-based workshops, emphasising the need to preserve traditional knowledge systems and heritage threatened by industrial alternatives and economic shifts. **Hazarika & Goswami (2018)** highlight the growing importance of women's entrepreneurship in the handloom sector, particularly among tribal women in Assam. The paper demonstrates that weaving empowers women economically, mitigates patriarchal challenges, and contributes to gender equality and poverty eradication while preserving cultural heritage.

Research Gap

1. There is a lack of proper training programs and government support for the growth and rise of the handloom sector in Southern India.

2. This sector lacks growth and fails to motivate the female youth to learn the heritage skills of handloom weaving.

3. In South India, male dominance prevails in the handloom sector. Women's empowerment is lacking, and they face inequality and hindrances in growth despite being equally capable.

Research Questions:

1. What are the factors that abandon equal participation and growth opportunities for women in the handloom sector for women in South India?
2. How can training programmers and government support lead women weavers to grow in the handloom sector, enhancing their empowerment?
3. How can the female youth be motivated to continue to carry on the skills of handloom weaving to preserve it**?**

Research Objectives:

1. To gain an understanding of the obstacles and prospects encountered by women handloom weavers in Kancheepuram.
2. To investigate the strategies employed by Government and Non-Government agencies and Weaver's Cooperative Society in their efforts to uplift the weaving sector in Kancheepuram village, Tamil Nadu.

RESEARCH METHODOLOGY

Data Collection

To achieve the study's objectives, a qualitative exploratory approach was adopted using purposive sampling. Fieldwork was conducted in Kancheepuram, Tamil Nadu, to explore the lived experiences of women handloom weavers of Kanjeevaram silk. Data were collected through semi-structured, in-person interviews conducted in the Tamil language with the assistance of a translator due to language barriers. The interviews were audio-recorded, transcribed, and supported by field observations and photographs taken with prior consent. Challenges included limited access to women weavers and social restrictions imposed by family members, particularly husbands.

Sources of Data

The study is based primarily on primary data collected from ten women handloom weavers engaged in crafting Kanjeevaram sarees in Kancheepuram through semi-structured and informal interviews.

Sampling Method

The research employed a snowball sampling technique due to the difficulty of identifying participants directly. Initial contact with one woman weaver led to subsequent introductions to others, forming a chain of ten respondents. Each participant engaged in a one-to-one focused discussion, guided by a semi-structured questionnaire, and interviews were recorded with their consent.

Sample Size and Sampling Technique

The sample comprised ten women handloom weavers from Kancheepuram selected via the snowball sampling method, aligning with the requirements of qualitative inquiry. Data obtained through semi-structured interviews provided in-depth insights into how handloom weaving supports sustainable livelihoods and preserves traditional craftsmanship among women in the region.

DATA ANALYSIS AND INTERPRETATIONS

Objective 1: Understanding the Obstacles and Prospects Encountered by Women Handloom Weavers in Kancheepuram

The responses from women handloom weavers (R1–R10) reveal that the demand for Kanjeevaram sarees has significantly declined in recent years, particularly after 2020. Respondents R1, R2, R3, R4, R6, R8, and R10 reported a noticeable reduction in demand primarily due to the advent of machine looms, which produce cheaper alternatives. Consequently, the weavers are receiving lower wages and struggling with financial instability.

Source: taken by author during field visit.

R8 showing us the handloom weaving process.

R2 pointed out that the high cost of handloom Kanjeevaram sarees, resulting from the intensive manual labour involved, makes them unaffordable for many buyers, leading to reduced demand. R4 further elaborated that the introduction of other affordable silk sarees such as Ornipatt and Varanasi silk has diverted consumer preference away from Kanjeevaram sarees.

Source: Taken by author during field visit.

Kanjeevaram saree pallu weaved

Additionally, R10 emphasized that the market is flooded with duplicate Kanjeevaram sarees, and due to a lack of consumer awareness, buyers fail to differentiate between authentic and fake products. As a result, while the design variety has expanded, the commercial demand and weavers' income have both declined.

A major issue identified by all respondents is physical strain and body aches due to the manual nature of handloom weaving. They also experience financial hardships, making it difficult to hire additional help or upgrade equipment. Most women, including R1, R4, and R9, struggle to balance household chores and weaving work, which affects productivity.

Source: Taken by author during field visit.

Saree weaving process of Kanjeevaram silk

R1 and R4 reported that weaving becomes impossible during the rainy season because humidity affects silk quality, leaving them with negligible income during this period. Furthermore, gender disparity in payment persists, as women often need to depend on male weavers for physically demanding tasks.

According to R2, government organizations provide authentic gold and silver zaris for weaving, giving such sarees a resale value. In contrast, private organizations use duplicate zaris to reduce production costs, which lowers the saree's value and quality. R3 highlighted that the imposition of GST on zaris and silk materials has further increased production costs. R5 mentioned defective raw materials supplied by government agencies, including shortages in weight and poor quality, yet full charges are imposed.

Source: Taken by the author during field visit.

On left is the Gold zari replica provided by private organizations and on the right is the original gold zari given by government.

R6 pointed out the lack of modern weaving equipment, especially those that can embroider multiple designs efficiently. This technological lag discourages younger women from joining the trade. R7 and R8 stated that although they now receive more orders, most are for low-cost sarees (₹15,000 range) with minimal profits (₹2,000), compared to earlier high-cost sarees (₹50,000 range) that yielded higher profits.

R7, a widow managing weaving independently, has educated her children and continues weaving alone. R9 reiterated the difficulty of managing both domestic responsibilities and weaving, leading to delayed orders and limited earnings. R10 added that female weavers receive irregular work opportunities, resulting in financial dependence and livelihood insecurity. Despite possessing mental strength, their physical limitations and lack of training opportunities hinder growth.

Source: Taken by the author during field visit.

R7 Telling us her story of being the only independent woman weaver in the village while working in handloom to fulfil orders.

Overall, the responses indicate that women handloom weavers in Kancheepuram face multiple interlinked challenges—declining demand, low income, lack of modern tools, health strain, inadequate government support, and gender-based disparities—threatening the long-term sustainability of their craft.

Objective 2: Government and Non-Government Efforts to Uplift the Handloom Sector

Most respondents (R2–R10) expressed dissatisfaction with government support mechanisms. Only R1 acknowledged that the government provides interest-free loans during the rainy season. R2 mentioned occasional training sessions for industry owners, but noted that women weavers are not invited, limiting skill development among female artisans.

Respondents R3, R4, and R5 stated they had not received any government benefits and demanded greater subsidies, high-quality raw materials, and reduction of GST on zaris to make their work economically viable. Similarly, R6, R7, R8, and R9 reported the absence of direct government aid and requested more high-value saree orders to increase profitability. R10 also confirmed not receiving any government support but acknowledged that the government supplies safer dyes and colours to prevent the use of harmful chemicals.

It was also noted that the Tamil Nadu Government's ban on power looms in certain regions has been implemented to protect traditional handloom weaving, which is an integral part of South Indian cultural heritage.

However, despite these protective measures, the respondents unanimously felt that existing government initiatives are inadequate. There is a lack of training programs, subsidies, and marketing support for women weavers. Most of them demanded financial assistance, modern machinery, and better market access.

When asked about continuing the craft or recommending it to the next generation, almost all respondents stated they would not encourage young women to join the handloom industry due to low income and high physical effort. They prefer to educate their daughters for alternative professions. Only R1 expressed optimism and is attempting to motivate younger generations to preserve the craft. In contrast, R4 showed a rare positive outlook, believing that the heritage and cultural significance of Kanjeevaram sarees can still ensure future growth if proper measures are taken.

R2 mentioned interest in transitioning to power loom weaving but is restricted by the high cost of machinery. This further indicates that without financial aid and modernization, the traditional handloom sector risks gradual decline.

Word Cloud of interviews of women handloom weavers computed with the help of NVivo

CONCLUSION

This study underscores that the sustainability of women handloom weavers in Kancheepuram hinges on aligning cultural preservation with economic viability. While Kanjeevaram silk embodies a living heritage, demand erosion from high prices, powerloom competition, and counterfeit products—combined with low wages, costly inputs, and uneven institutional support—has weakened livelihoods and morale. Strengthening this ecosystem requires coordinated action that improves incomes, reduces input burdens, safeguards authenticity, and expands market reach.

Policy and practice should prioritize: (i) lowering effective input costs (e.g., rationalized GST on silk yarn and zari) and targeted subsidies for raw materials and design equipment; (ii) seasonal financial support to cushion income shocks

(especially during the monsoon); (iii) fair and timely remuneration with strict parity for women, coupled with increased allotment of higher-value saree orders; (iv) quality assurance through cooperative oversight so defective or substandard inputs are not passed on to weavers; (v) sustained skill-upgradation and design training tailored to women weavers; and (vi) heritage-led branding—tourism tie-ins, cultural advertising, and authenticated government retail—to protect the Kanjeevaram identity and expand premium markets.

Finally, attracting new entrants—especially young women—will depend on visible income progression, recognition, and dignified work conditions. By pairing cultural stewardship with market-facing strategies and accountable cooperative governance, Kancheepuram can protect its iconic craft while enabling stable, upwardly mobile livelihoods for women weavers. Future work should quantify the income effects of tax relief, subsidies, and authenticated retail channels to guide scale-up with evidence.

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11

Hiring the Superannuated: A Study of Rehired Employees in the Life Insurance Sector in Kolkata

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Abstract

The growth of post-retirement employment which is also known bridge employment has become a very distinctly observable phenomena in the rapidly aging societies around the world. This paper delves into the lives of retired professionals in Kolkata, India who have taken up bridge employment in the life insurance sector to explore the motivations, patterns and wellbeing implications of taking up such employment. Employing a descriptive cross-sectional design with an exploratory, the study is based on primary data collected from 152 retired and rehired employees across four life-insurance companies in Kolkata. To extract, validate and interpret major constructs influencing post-superannuation employment, quantitative tools such as Exploratory Factor Analysis (EFA) and non-parametric mean comparison tests were applied using SPSS.

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1. *This dissertation was done by the scholar under the guidance of Dr. Shouvik Sircar.*

Four key motivational factors, namely, Economic and Psychological Reinforcements, Restored life Structure & Purpose, Social Reconnection and Workplace-exclusive fulfillment were identified, which together explained more than 70 percent of the variance. Significant variations in motivation and quality of life across demographic variables such as pension status and number of dependents was indicated by non-parametric tests like Mann-Whitney U and Kruskal-Wallis H tests. The results elucidate that psychological well-being, financial security, social belongingness are central driving forces to the retirees' decision of rejoining the workforce. Additionally, organizations benefit from enhanced knowledge transfer based on the elderly workers' vast capital of knowledge and expertise. Improved employer branding is another premium enjoyed by such employers. The study concludes that the life insurance industry can become a sustainable example of intergenerational cooperation by implementing inclusive HR practices and structured post-retirement positions which will improve organizational performance and employee-wellbeing.

Keywords: *Retirement, Bridge Employment, Life Insurance, Quality of life.*

INTRODUCTION

Increased life expectancy and evolving perceptions of retirement along with India's aging demographic structure have led to redefinition of the way people think about the post-retirement phase. While complete withdrawal from professional life was expected once, today's retirees increasingly view it as a transition and not an endpoint. Globally, increasing traction to the phenomenon of bridge employment has been instrumental is providing individuals with financial, social and psychological continuity after superannuation (Selvendran, 2022).

In the Indian context, the life insurance sector finds itself to be a unique service domain where the rehiring of retired professionals is not only feasible but also leads to tremendous value addition. In an industry where long-term client relationships, trust-building, advisory expertise are the competencies which serve as the life blood for moving the business forward, mature workers prove to be great assets. Seeking to strengthen their corporate credibility and customer retention, life insurance firms, increasingly engage skilled retirees to leverage their decades of knowledge and experience. Additionally, such engagement also mitigates recruitment and training costs.

Even in the light of such developments, empirical research on post-retirement employment in India remains sparse. Western economies with established pension systems have served as the base of most existing studies thereby creating lacunae in understanding motivations and lived experiences of Indian retirees in relationship-driven service sectors. To an extent, this gap is addressed by this paper through investigating the underlying factors influencing post-retirement employment decisions and their impact on the quality of life of re-employed retirees in Kolkata's life insurance industry.

LITERATURE REVIEW

Paid work done after formal retirement has emerged as a valuable option in response to evolving identity needs, aging populations and changing retirement expectations. Prior studies consistently highlight that retirees' desire to stay engaged is not just based on financial reasons but also for their mental well-being, independence and sense of purpose (Sousa-Ribeiro et al.,2024; Mazumdar et al., 2024). The meaning of retirement is redefined through the shift from work driven by obligation to work focused on personal fulfillment. Organizational vontext is important in shaping post-retirement work experiences. Horiguchi(2024) concluded that respect, fairness and feeling of inclusion among for older workers greatly improve among Japanese bridge workers. Similarly, Khanwalker (2021) noted that preferences for post-retirement employment among retired Indian bankers differ based on their rank before retirement, where, senior executives want meaningful roles and junior staff prefer leisure. In India, the increase in post-retirement work is linked to both economic and social reasons. Lobo & Falleiro (2023) found that staying active and combatting the effects of retiring were the main reasons to take up post-retirement employment for elderly Goans. Selvendran (2022) and Mehta (2021) highlighted that maintaining identity, social connections and mental health are some very important tenets connected with continuing to work after retirement. Anxo & Ericson (2023) were able to differentiate between intrinsic motivators, such as job satisfaction and personal growth, and extrinsic motivators, like financial needs. They found that highly skilled retirees tend to be more motivated by intrinsic factors. Van Solinge et al. (2021) concluded that personal growth is a strong predictor of paid reemployment, while spirituality leads to volunteerism. Gender differences also emerged, with men more likely to pursue paid roles. George & Maguire (2020) studied retired UK academics to discover that they continue to work after retirement to maintain their professional identity, supporting Erikson's theory of generativity. Salifu et al. (2021) interestingly observed that among Ghanaian educators, marital status and connections to educational institutions influence reemployment preferences. Overall, the literature treats bridge employment as a complex idea driven by psychological needs, workplace culture and socio-economic factors. In industries like life insurance, rehiring retirees provide both human and competitive benefits.

RESEARCH GAP

Existing literature has majorly evaluated post-retirement employment through psychological or demographic lenses while sectoral dimensions of services have been overlooked especially in an Indian context. Priorly, no study had analyzed the rehiring of retirees in Kolkata's life insurance firms, where human interaction and reputation capital are crucial. Moreover, the relationship between the retirees' motivational drivers and their perceived quality of life under different facets has not been systematically explored before as well. This study fills that void through a quantitative analysis linking motivational constructs, demographic variations and perceived well-being outcomes.

RESEARCH QUESTIONS

1. What factors make the life insurance sector an attractive post-retirement employment destination for retired professionals?
2. How do these motivational factors vary across demographic groups such as pension status, dependents and marital status?
3. What is the influence of post-retirement employment on the perceived quality of life of re-employed retirees?

OBJECTIVES OF THE STUDY

1. To identify the factors that make life insurance industry an attractive post-retirement employment option.
2. To examine how these factors differ across demographic variables of retired professionals.
3. To assess the effect of post-retirement employment on retirees' quality of life.

RESEARCH METHODOLOGY

The study adopts a quantitative, descriptive cross-sectional research design with an exploratory component. This mixed-descriptive approach was considered appropriate to analyze both the extent of reemployment and the underlying psychological motivations shaping it.

Sampling and Data Collection

Respondents for this study were selected through purposive sampling as the target group represented a relatively niche population. Primary data were collected from 152 retired professionals who have rejoined work across four leading life insurance companies in Kolkata. Period for data collection was two months i.e. December 2024 and January 2025.

To collect data, a structured questionnaire was administered through personal interactions to ensure clarity and response reliability. The three distinct sections of the instrument were as follows:

➢ **Section I:** Demographic and employment details (age, gender, pension status, dependents, marital status, etc.).

➢ **Section II:** A 25-item Motivation Scale designed on a five-point Likert continuum developed based on literature support through a review of prior scales used in existing studies.

➢ **Section III:** A validated 13-item scale containing statements related to the Quality of Life of older adults.

DATA PROCESSING AND ANALYTICAL TECHNIQUES:

➢ For data coding and analysis, SPSS (Version 26.0) and Microsoft Excel were used. A series of statistical techniques were applied:

➢ **Reliability Analysis:** Cronbach's alpha values of 0.945 (Motivation Scale) and 0.940 (Quality of Life Scale) indicated excellent internal consistency.

➢ **Construct Validation:** Exploratory Factor Analysis (EFA) was conducted (KMO = 0.890; Bartlett's Test of Sphericity = 2748.34, p < 0.001), confirming the suitability of the data for factor extraction.

➢ **Calculation of Indexed Scale Scores:** For each construct, the scores for each respondent for the scale items constituting the construct were summated and divided by the number of scale items to obtain indexed scale scores.

➢ **Tests of Normality for the Indexed Scale Scores:** Kolmogorov-Smirnov Test and the Shapiro-Wilk Test were used for normality testing. Both the tests indicated the data to be not normally distributed.

➢ **Inferential Testing:** To assess inter-group differences across demographic segments, Mann-Whitney U and Kruskal-Wallis H tests were applied, given the non-normal distribution of indexed motivation scores.

ETHICAL CONSIDERATIONS

The respondents were clearly informed about the academic purpose of the study and participation was entirely voluntary. No personal identifiers were obtained to ensure anonymity, confidentiality and data integrity

ANALYSIS AND INTERPRETATION:

Reliability and Sampling Adequacy:

The suitability of the data for factor analysis was confirmed through preliminary diagnostics. Exceeding the minimum recommended value of 0.60, the Kaiser-Meyer-Olkin (KMO) value of 0.890 indicated excellent sampling adequacy. Bartlett's Test of Sphericity was significant (p<0.0001), confirming sufficient inter-item correlation. Also, strong internal-consistency reliability for both measurement scales as follows:

Scale	No. of Items	Cronbach's α
Motivation	25	0.945
Quality of Life (QoL)	13	0.940

Factor Extraction and Interpretation:

Four components with Eigenvalues > 1 were produced by Principal-component extraction with varimax rotation. 71.2% of the total variance is collectively explained by these four components. The rotated component matrix grouped items logically into four motivational constructs.

Factor	Illustrative Items (Highest Loadings)	Percentage Variance Explained	Conceptual Meaning
F1- Economic & Psychological Reinforcements	Financial security, meeting family obligations, Motivation	26.8%	Generating additional income after retirement helps in maintaining and upgrading standards of livelihood. Also, helps avoid family conflicts, maintains motivation.
F2- Restored life structure & purpose	Regaining sense of balance and time management, battling monotony, heightened energy levels.	18.5%	Regaining and maintaining sense of purpose in day-to-day life, contributing to meaningful activities by leveraging expertise.
F3- Social Reconnection	Interaction with colleagues, sense of recognition.	14.3%	Mitigating sense of emotional instability, detachment and loneliness by forging social bonds and gaining recognition for work and experience.
F4- Workplace-exclusive fulfillment	Exposure to new ideas, flexible work hours, mentoring junior staff.	11.6%	Emotional enrichment and gratification earned through learning new things and knowledge transfer to juniors.

All four factors in union, give rise to an interesting dual pattern of instrumental (economic) and expressive (psychological and social) motivation. While the scales tilted towards economic prudence, non-financial motives remained substantial, signifying that retirees seek both income stability and purposeful activities.

Since normality assumptions were not satisfied by most motivational and QoL variables, the differences across demographic groups were analyzed by employing non-parametric tests. The results offer a coherent picture of how financial security, family structure and social orientation shape retirees' motivations for continuing employment in the life insurance sector. The following insights were drawn through indexation and mean comparison:

Motivational differences across pension status:

Significant differences across all four motivational dimensions were revealed by the Mann-Whitney U test. Respondents without pension income exhibited the highest scores on Economic & Psychological Reinforcements dimension, reflecting that supplementary income, financial stability and the ability to shoulder household obligations is centrally important. For these retirees, continued employment acts as a financial buffer against rising living costs and uncertain post-retirement expenditure.

In contrast, higher values of the Social Reconnection and workplace-exclusive fulfillment dimensions were recorded by the pension receivers. This pattern is suggestive of the fact that when financial security is already available, work transitions from being an economic necessity to becoming a source of daily routine, emotional meaning and social connectivity. The retirees seem to be empowered by the presence of an assured income in the form of pension such that they can prioritize personal growth, interaction and purpose in the workplace.

Influence of dependents and family structure:

It is further demonstrated by the Kruskal-Walls H test that motivations varied systematically with the number of dependents. Social recognition found a greater emphasis among retirees with no dependents indicating that the workplace serves as an important arena for companionship, identity reinforcement and structured activity. Conversely, higher Workplace-exclusive fulfillment scores were shown by retirees with one or more dependents suggesting that continued employment helps maintain emotional resilience, responsibility and a sense of contribution within the household.

Differences in Quality of Life (QoL):

Quality of Life scores showed significant variation, particularly by the number of children. Respondents with one child reported the highest QoL, possibly as a result of an optimal balance of emotional support, manageable caregiving expectations and family stability. A strong positive association was demonstrated by QoL with Social Recognition and Workplace-exclusive fulfillment, supporting the view that the psychological aspects of work such as interaction, routine and recognition play a crucial role in sustaining wellbeing during the later stages of life.

CONCLUSION

This study set out to examine the motivations behind post-retirement employment in the life insurance industry among retired professionals in Kolkata and to understand how demographic and financial conditions shape these motivations. A multidimensional motivational structure comprising Economic & Psychological Reinforcements, Restored life structure & purpose, Social Recognition and Workplace-exclusive fulfillment was revealed. Collectively, these dimensions illustrate that reemployment in later life is neither solely a response to financial necessity nor purely a pursuit of psychological enrichment; rather, it represents a nuanced combination of both.

Financial security was identified as a key differentiator. Retirees lacking pension income prioritized economic factors, considering continued employment essential for maintaining household stability and fulfilling personal obligations. Conversely, retirees with stable pensions placed greater emphasis on the social and emotional benefits of work, such as meaningful engagement, interpersonal interaction, and maintaining daily routines. This contrast highlights the relationship between structural financial circumstances and intrinsic motivational factors.

Family structure also influenced motivational factors. Respondents with dependents were more likely to experience emotional fulfilment from continued employment, whereas those without dependents emphasised social connection and identity reconstruction through workplace involvement. Quality of Life assessments supported these findings, indicating that retirees who maintained social and emotional engagement at work reported higher levels of well-being.

Overall, it is illustrated by the study that resilience, identity continuity and active ageing are some of the most important mechanisms associated with post-retirement employment. For organizations, particularly in the life-insurance sector, re-engaging experienced retirees represents a strategic opportunity to harness institutional knowledge, strengthen mentoring systems and enhance organisational attractiveness. For policymakers, the findings highlight the need to formalise flexible re-employment pathways that account for varying economic and psychosocial needs of ageing workers.

In sum, post-retirement employment stands at the intersection of necessity and purpose. By recognising and supporting this duality, organisations and society can foster more inclusive and sustainable models of productive ageing.

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12

Consumers' Perception Towards Counterfeit Products: A Qualitative Study from Major Shopping Destinations in Kolkata

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Abstract

Research conducted is a qualitative research technique based on a phenomenological approach that reveals and understands the lived experiences of people buying counterfeit fashion products at major shopping destinations in Kolkata like New Market, Gariahat Market, Bara Bazar & Chandni Market. By using both primary and secondary data we aim towards assessing the current status, understanding consumers perception, motivation, emotions towards purchasing counterfeit fashion products and how consumer demographics influence motivation for purchasing counterfeit fashion products. Sampling method of this study used purposive sampling with snowball sampling method. Semi-structured interviews were taken of fifteen buyers of counterfeit goods in flea markets. Data analysis programme called NVivo, is used for thematic analysis where the interviews were coded and analyzed which allows gaining insights into customers opinions, motives and emotions. The findings of the study will be revealed by content analysis and the themes generated via the word clouds which will highlight current status, consumers motivations, emotions related to the purchase of counterfeit products.

Keywords: *Counterfeiting, Consumers' Perception, Motivation, Phenomenological.*

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1. *This dissertation was done by the scholar under the guidance of Dr. Sumanta Dutta.*

INTRODUCTION

Product is anything tangible or intangible that is produced or manufactured to satisfy consumer needs or desires. All products that the customer desires may not always be legal or authentic, some may also be fake or unauthorized replicas of the original product. These products are known as counterfeit or knock-off products. Counterfeiting is defined as the manufacture of products identical to the original product, including trademarks, labels, etc. which the consumer presumes to be a genuine product (Yunos & Abdul Lasi, 2020), (Patiro & Sihombing, 2016). To counterfeit is to make a copy of something genuine for the purpose of destroying, stealing, or substituting the original, or in some other way to lead people to believe that the copy is of equal or greater value to the original. Counterfeit products usually disregard intellectual and other property rights. So, counterfeit products are fakes or illegal duplicates of the actual thing, and they're often made with the intention of profiting from the mimicked product's better value.

The spread of counterfeit products is increasing at an alarming rate all around the globe. Counterfeit products have become a global concern and have posed threats to manufactures, the economy, consumers, the company's brand name, reputation, etc. The counterfeit and piracy markets, according to the Paris-based Business Alliance to Stop Counterfeit and Piracy (BASCAP), are rising at a pace of 22% each year. So, the rate in which it is spanning, if this issue is not addressed on an urgent basis, then it may create a huge problem in the near future cause e-commerce is also growing globally. Counterfeit products are found in each and every industry mainly luxury brands related to clothing and bags, watch and shoes, cosmetics, electronics, pharmaceutical, drink, and beverages, etc. (International Anti-Counterfeiting Coalition, 2002).

LITERATURE REVIEW

Previous studies on counterfeit consumption have explored it as a multidimensional issue influenced by psychological, social, and economic factors. Samaddar and Gandhi (2022) found that perceived value and social influence strongly shape purchase intentions, while Mustafa and Salindo (2021) emphasized the role of integrity and social status. Technological measures such as blockchain (Anjum & Dutta, 2022) have been proposed to improve supply chain transparency, although global disruptions like COVID-19 have intensified counterfeit trade (Pérez-y-Soto, 2021).

Research by Elsantil and Hamza (2021), Verma et al. (2019), and Basu et al. (2015) highlights that social status, value for money, and price sensitivity are major motivators behind counterfeit purchases. Yunos and Abdul Lasi (2020) noted that high brand premiums push consumers toward counterfeits, while regional studies (Ashraf, 2021; Sari et al., 2018) linked affordability and brand attachment with increased counterfeit buying. From a broader perspective, weak governance, limited enforcement, and easy online access perpetuate counterfeit markets (Eser et al., 2015; Brandão & Gadekar, 2019; Variyar & Mugdha, 2018).

Ethical issues in fashion counterfeiting (Hilton et al., 2004; Patil & Handa, 2014) also highlight how imitation erodes authenticity and consumer trust.

Overall, the literature indicates that counterfeit consumption is primarily driven by affordability, social influence, and weak regulatory mechanisms. Addressing it effectively requires stricter enforcement, stronger ethical branding, and enhanced consumer awareness supported by technological innovations.

RESEARCH GAP

The existing literature has been found lacking as it concentrates more on the factors that affect the supply of these items. The demand factors have not been given that importance. Even if corporations decrease the supply of counterfeit products, counterfeiters usually discover new and inventive ways to meet the demand, which continues to grow. This gives rise to knowledge gap. We also found that few research has been done from the qualitative perspective which gives rise to methodological gap. We can see that no study has been undertaken till date in the various shopping destination in Kolkata, India related to the issue of counterfeit products.

Therefore, this study aims to reduce or close this gap, address this imbalance and consolidate from the existing findings and primary research, current status of counterfeit products in India, what motivate consumers to buy 1st copy products, especially in the fashion industry which is most affected by counterfeiting. This qualitative study will also throw some light on the relationship between consumers' demographic profile and counterfeit product purchases.

RESEARCH QUESTION

From the above-mentioned research gap, we have identified the following research questions:

1. What is the current status of counterfeit products?
2. What is consumers' perception and motivation in buying counterfeit fashion products?
3. How consumer demographics influence motivation for purchasing counterfeit fashion products?

RESEARCH OBJECTIVES

From the research question, we have identified the following research objectives

1. To assess the current status of counterfeit products in India.
2. To identify consumers' perception in buying counterfeit fashion products in Kolkata.
3. To analyse how consumer demographics influence motivation for purchasing counterfeit fashion products.

RESEARCH METHODOLOGY

To explore the objectives of this study both primary and secondary data has been used. For the first objective secondary data has been used and for the second and

the last objective primary data has been used. This thesis employs a qualitative research technique based on a phenomenological approach, which is basically understanding the lived experiences of people buying counterfeit goods. This enables a detailed picture that demonstrates not only 'what' customers feel, but also 'why' and 'how' they interact and try to make meaning from their experiences. A sample population of the 15 female buyers (age 23-54 years) of counterfeit fashion products at major shopping destination or we can say major flea markets in Kolkata where the exclusive stores selling international luxury brands counterfeits are found like New Market, Gariahat Market, Bara Bazar were chosen through purposive sampling. They were observed in person and primary data was collected through semi-structured, recorded interviews. The interviews that were captured were transcribed precisely with the buyers' prior approval. (Ganguly et al.,2022). This study uses thematic content analysis since it is consistent with phenomenological research, and then established comparisons across coded reports using the software application NVivo 15 to uncover emergent themes. Here interviews were coded and analyzed which allows gaining insights into customers opinions and motives. Topics and groups were created based on the major keywords identified through word, paragraph and overall meaning structure analysis of verbatim transcripts. Using the same program, the codes were then utilized to create word clouds. A 'word cloud' is a graphical display of a group of words, with the size of each word indicating its frequency or relevance in the provided text or data set. The larger and more prominent a word appears in the cloud, the more frequently it appears (Atenstaedt, 2012), which is critical for thematic assessment in phenomenological research. Only for the first objective, secondary data were collected from various sources namely Academic Journals & Publication, Industry Reports & Market Research and content analysis was performed.

ANALYSIS AND INTERPRETATION

The analysis comprised meticulous examination and categorization of the different aspects that were drawn out from the selected research publications on counterfeit products in India. Unauthorized items are growing at an alarming rate over the world in terms of scope, volume, and threat. Counterfeiting has become a widespread problem that poses threats to the economy, including to the manufacturer, consumers, and the company's brand reputation, among other things. It has evolved into one of the most pressing challenges of the twenty-first century. Counterfeiting has not only drained revenues of luxury brands but also curbed creativity and innovation. It deprives governments of tax income, fuels black markets, and poses serious health risks due to poor product quality. Beyond the economic toll, it has cost millions of jobs globally, making it one of the most damaging threats to both industry and society today.

To understand consumer perceptions and motivations behind purchasing counterfeit fashion products, NVivo software was used to generate word clouds reflecting the most frequently mentioned themes by respondents. The key motivating factors identified were affordability, perceived value, status

consumption, fashion consciousness, brand appeal, and low risk perception. Interestingly, the emotions associated with these purchases ranged from pride, excitement, and social confidence to, in some cases, a sense of guilt highlighting the complex psychological drivers behind counterfeit consumption.

Analysing how different demographic groups (Age, Education and Income) influence motivations for purchasing counterfeit fashion products. The semi structured interview taken from the 15 respondents varying across different age groups, education levels income groups and flea markets. Cheaper Price is the most dominant motivation for younger & low-income consumers. Perceived Value Matters More to Older, Low & High-Income Consumers. Status Consumption is Important for Mid-Income Professionals. Fashion Consciousness is Strongest Among Graduates & Mid-Income Earners. Brand Appeal Matters More to Highly Educated & High-Income Consumers. Low Risk Perception Encourages Counterfeit Purchases Across Groups.

CONCLUSION

Counterfeiting, especially within the fashion industry, has emerged as a serious concern that affects the global economy, society, and ethics alike. The ease with which designs can be imitated, combined with inadequate enforcement, has made fashion one of the easiest targets for counterfeiters. The situation worsened during the COVID-19 pandemic, as disrupted supply chains and a shortage of authentic products opened doors for the circulation of fake goods.

The study reveals that people are often drawn to counterfeit fashion products mainly because of their affordability, perceived worth, and the social prestige they appear to offer. Elements such as fashion consciousness and the belief that there is little risk involved further influence such decisions. Ultimately, the research reflects how consumers' desire for style and status often overshadows ethical considerations, underlining the need for stronger policies, greater awareness, and collective responsibility to combat the spread of counterfeit fashion.

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13

A Study on The Role of Sensory Perception of the Working Women of Kolkata Towards Apparel Purchases
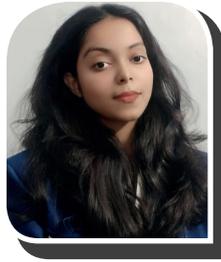
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Abstract

The retail landscape has changed notably and along with that change; sensory perception has emerged as an important factor in the consumer decision-making process. The act of shopping for apparel is extremely experiential and therefore visual, tactile, ambient and olfactory cues affect the consumer purchasing behavior. For the working women living in Kolkata, the activity of shopping for apparel is not just a transactional task but also has an emotional and psychological experience; therefore, sensory perception is a significant factor when they engage in shopping for apparel. The current study seeks to understand the role of sensory perception on the shopping behavior of working women living in Kolkata using an experiential shopping interface as compared to that of a non-experiential interface. The study examines various sensory-based cues that affect a shopper's decisions such as visual cues (store layout, displays, and colors), tactile cues (fabric texture, fabric quality), auditory cues (background music, echo in the store), and olfactory cues (smells of perfume and smells of fabric).

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1. *This dissertation was done by the scholar under the guidance of Dr Shivaji Banerjee.*

INTRODUCTION

As for the buying houses, the emerging retail scene in India especially in urban locations such as Howrah and Calcutta, has seen welcome changes recently. During the recent decade, there has been a development in different approaches in the shopping experience. These new age working women professionals of Calcutta, which is getting populated with more and more working women professionals are becoming the important decision makers in consumerism. In general, it was considered that sensory data play crucial role in the development of the retailing system. Among them, Kotler used the term "atmospherics", analyzing the effects of the environment in decision-making about purchases. The existing evidence in the Indian context of research work has dealt with consumer behavior and retail trends. Research has also highlighted the impact of store design and layout on consumer navigation and purchase decisions. Although, there are research gaps available regarding the sensory perceptions of working women professionals of experiential versus transactional stores in Calcutta. Specifically, retail experiences of Calcutta are highly viable to the exploration of sensory perception owing to Calcutta's imposing cultural and socio-economic characteristics accompanied by the increased career empowered women professionals. Indian consumers, particularly women, prioritize shopping experiences that combine convenience, entertainment, and social interaction. The purpose of the present undertaking is to understand the sensory experiences of working women professions in Calcutta and the comparison of the overall experience and impression, purchasing decisions and sensory perceptions and its aftereffect between experiential and transactional stores.

LITERATURE REVIEW

Antunes & Verissimo, (2024) in their rare study used bibliometric and cluster analysis to analyze sensory marketing. This comprehensive study reviewed 342 articles published between 1984 to 2023 using Scopus database. Large volumes of bibliographic resources like review papers, articles and books were analyzed using quantitative method of bibliometric review. This technique finds out the interrelationship and connection between journal citations which summarizes the key themes or topics in current research and potentially identifies contemporary issues. Clusters were detected based on mapping of routes and formation of co- occurrence matrix. The study was carried out in four phases of preparation, quality assurance, data extraction and data analysis. The study identified five different clusters namely atmospherics, product evaluation, service marketing, sensory marketing and experiential marketing. **Shahid *etal*. (2022)** aims to widen this scope of sensory marketing by examining the effect of sensory marketing and brand experience on emotional attachment and thereafter brand loyalty in a luxury retail store setting. The indirect effect of store image was also considered. A total of three studies were undertaken. For the first study a sample of 516 respondents from New Delhi and Mumbai was taken when they were asked to recall their in-house shopping experience and fill out a questionnaire. The second

study was done to complement Study I and tested the moderating effect of store image in real time. The final study was a comparison between the luxury and non-luxury store conditions. There was a positive correlation between sensory marketing cues and luxury brand experience. Study II further solidified those findings. Study III suggested stronger brand loyalty and emotional attachment in consumers of luxury stores.

RESEARCH GAP

Though there have been multiple studies undertaken in this area the existence of gaps still remains prevalent. Following are few notable gaps that I could identify in this domain of research:

Location gap: Limited studies have been undertaken in India regarding studying overall sensory perceptions of consumers in comparison to the Western context. Existing literatures on the consumers of Calcutta are further less in numbers.

Demographic gap: Lot of the researchers have primarily targeted general consumer population thus neglecting the working women professionals.

Knowledge gap: Existing studies focus on experiential stores often overlooking transactional stores. There is a lack of comparison between the sensory perceptions of consumers among these two stores at the same time thus providing grounds for further research studies to be undertaken. Most of the studies have highlighted one or the other aspects of sensory stimuli instead of giving undivided attention to all the five senses.

RESEARCH QUESTIONS

1. Is there any influence of various sensory elements on the purchasing decision of working women of Kolkata while apparel shopping?
2. Can we compare the sensory perception of working women shopping at experiential and non- experiential apparel stores of Kolkata?
3. What is the most influential sensory factor among the working women shopping at experiential and non-experiential apparel stores of Kolkata?

RESEARCH OBJECTIVES

1. To examine the influence of various sensory elements on the purchasing decision of working women of Kolkata while apparel shopping
2. To compare the sensory perception of working women shopping at experiential and non- experiential apparel stores of Kolkata
3. To identify the most influential sensory factor among the working women shopping at experiential and non-experiential apparel stores of Kolkata

RESEARCH METHODOLOGY

Research Design

The descriptive aspect of this paper shall identify and describe sensory elements influencing consumer behavior (e.g., lighting, music, scent) as well as accurately

portray the "what" and "how" of sensory perception in shopping contexts. On the other hand, the exploratory aspect explores the unknown or poorly understood relationship between sensory perception and consumer behavior.

DATA COLLECTION

This study majorly uses primary data to conduct the analysis. Primary data collection involves gathering original, firsthand information through direct interaction with the research population.

For the purpose of this research, a self-administered, structured questionnaire consisting of demographic information, sensory perception scales (e.g., visual, auditory, olfactory, tactile), shopping habits and preferences and experiential store evaluation (e.g., ambiance, customer service) was used. Scaling techniques like 5-point Likert were used to systematize the process of data collection.

SAMPLING METHOD

Purposive sampling technique was used to select the destinations from the host of brands and shopping destinations of Kolkata based on some common parameters like footfall, positive word-of-mouth and target customer group (majorly middle income). The respondents were then selected from these shopping destinations based on probabilistic method of simple random sampling. The footfall was divided into gender (male, female and others), age groups and employment status on the basis of stratified sampling. Out of this, working females belonging to the required age group were selected to act as respondents in this study.

SAMPLE SIZE

The data was collected from a sample consisting of 303 respondents. The respondents belonged to the age group of 21 and above who are the working women of Kolkata.

TOOLS USED

In SPSS, descriptive statistics give a basic method of summarizing and analyzing data, revealing important features of a dataset.

Using descriptive statistics, the frequency distribution and bar graph has been obtained for various demographic information using descriptive statistics. Other tests like chi-square test, Spearman correlation, Mann-Whitney U test and Friedmann test have been used.

DATA INTERPRETATION

Descriptive Analysis

Table 1: Frequency distribution of Age Group of Respondents

Age Group		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	21-30	101	33.3	33.3	33.3
	31-40	86	28.4	28.4	61.7
	41-50	66	21.8	21.8	83.5
	51 and above	50	16.5	16.5	100.0
	Total	303	100.0	100.0	

Table 2: Frequency distribution of Monthly Income of Respondents

Monthly Income (INR)		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 30,000	78	25.7	25.7	25.7
	30,001-50,000	73	24.1	24.1	49.8
	50,001-75,000	64	21.1	21.1	71.0
	above 75,000	88	29.0	29.0	100.0
	Total	303	100.0	100.0	

RELIABILITY ANALYSIS

The Cronbach's Alpha value is 0.922, which indicates excellent reliability. Typically, values above 0.9 suggest a very high level of consistency among the items in the scale.

NORMALITY TEST

All p-values are < 0.001 for both K-S and S-W tests. This means that for all sensory elements, the data does not follow a normal distribution.

FINDINGS

Descriptive Statistics & Demographic Insights

➢ The majority of respondents (61.7%) belong to the 21-40 age group, suggesting that younger to middle-aged women form the primary consumer base.

➢ Income levels are fairly evenly distributed, with the highest proportion (29%) earning above ₹75,000.

CHI-SQUARE TESTS

Age and Shopping Preference

➢ Younger age groups (21-40) prefer experiential shopping, while older groups (41 and above) lean towards non-experiential stores.

➢ The association is statistically significant ($p < 0.001$), confirming that age influences shopping preference.

INCOME AND SHOPPING PREFERENCE

➢ There is no significant relationship between income and shopping preference ($p = 0.436$), suggesting that shopping behavior is independent of income level.

STORE SELECTION FACTORS AND SHOPPING PREFERENCE

➢ Experiential shoppers prioritize store atmosphere (43%), whereas non-experiential shoppers are price-sensitive (46%).

➢ The association is highly significant ($p < 0.001$), showing distinct decision-making factors between shopper types.

SPEARMAN CORRELATION

Relationship between sensory elements and purchasing decision

➢ **Store Ambience:** The two variables are statistically significant at 1% level of significance and the correlation coefficient value is 0.512 which indicates a moderate positive relationship between the two variables.

➢ **Well-Organized Displays:** The two variables are statistically significant at 1% level of significance and the correlation coefficient value is 0.376 which indicates a weak positive relationship between the two variables.

➢ **Colour & Aesthetics:** The two variables are statistically significant at 1% level of significance and the correlation coefficient value is 0.250 which indicates a weak positive relationship between the two variables.

➢ **Background Music:** The two variables are statistically significant at 1% level of significance and the correlation coefficient value is 0.797 which indicates a very strong positive relationship between the two variables.

➢ **Calm Shopping Environment:** The two variables are statistically significant at 1% level of significance and the correlation coefficient value is 0.611 which indicates a strong positive relationship between the two variables.

➤ **Pleasant Store Scent:** The two variables are statistically significant at 1%level of significance and the correlation coefficient value is 0.773 which indicates a very strong positive relationship between the two variables.

➤ **Fabric Feel:** The two variables are statistically significant at 1%level of significance and the correlation coefficient value is -0.241 which indicates a weak negative relationship between the two variables chosen.

Comparing Sensory Perception of Experiential vs. Non-Experiential Shoppers (Mann- Whitney U Test)

➤ Non-experiential shoppers perceive visual aesthetics, well-organized displays, store ambiance, music, calm environment, and scent as more influential in their purchase decisions.

➤ Experiential shoppers, however, place higher importance on the feel of fabric, emphasizing tactile engagement in their shopping experience.

➤ These differences are statistically significant (p < 0.05), indicating clear distinctions in sensory perception between the two shopper groups.

Identifying the Most Influential Sensory Factor (Friedman Test)

➤ Experiential shoppers prioritize visual elements (colour aesthetics, displays, and ambiance) the most, followed by tactile (fabric feel) and audio (quiet environment). Scent ranks lowest.

➤ Non-experiential shoppers, in contrast, rank audio (music) and olfactory (scent) elements higher, while tactile engagement and visual aesthetics are less influential.

➤ The results are statistically significant (p < 0.001), confirming that different sensory elements hold varying degrees of importance for experiential and non-experiential shoppers.

CONCLUSION

The findings show that while sensory perceptions do impact consumer choice, their effects depend on the specific aspects of perception, demonstrating variation between sensory aspects. For example, one of the strongest among these findings is that visual atmosphere, as indicated by store appearance, visual display, and general atmosphere, positively impacts purchasing behavior and drives consumer engagement to the store. This suggests that retailers should focus on visual merchandising strategies to create the in-store experience for working women. On the other hand, some aspects of visual perception display and colour aesthetics did not have a statistically significant effect. It can be inferred that while overall atmosphere can have a positive impact on consumers, some aspects of visual perception alone will not drive purchasing behavior. The research also demonstrated that music and environmental sound positively impacted consumer behavior, though the evidence was mixed; while mood and atmosphere may be positively improved through background music and create a positive shopping experience, the music alone is not going to drive purchasing decisions. The results also indicate that convenience is preferred among working

women shopping, regardless of whether shopping is experiential or not. Certainly, calming environments, that elicit sensory immersion can certainly enhance the shopping experience, but they are not linked to a temporal intention to buy. These attitudes provide a foundation (anchor) for this study in what is important in fashion retail for women in the work environment in Kolkata. In other words, the store might look good visually, but the elucidation of scent, or the tactile offshoot of visual aesthetics is of little use to this segment of consumer shopping socially. Ultimately, the research indicates that sensory perception affects apparel purchase behavior but is selective in the sense that visual and audio aspects affect behaviours more than olfactory aspects or tactile aspects. Thus, retailers can intentionally create their retail environments specifically with working women in Kolkata in mind regarding visual elements, neutral ambient sound, and efficient uninterrupted purchasing.

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Influence of Cultural Tourism on the Preservation of Traditional Arts and Crafts in Murshidabad, West Bengal

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Abstract

Cultural tourism has emerged as a significant tool for preserving intangible cultural heritage while simultaneously contributing to local economic development. In regions with rich historical and artistic traditions, tourism offers artisans opportunities for livelihood sustainability, cultural recognition, and intergenerational transmission of skills. Murshidabad, a historically significant district in West Bengal and former capital of Nawabi Bengal, is renowned for its traditional arts and crafts such as silk weaving, brassware, pottery, and ivory work. However, these crafts face challenges due to industrialisation, declining patronage, and changing consumer preferences. This study examines the influence of cultural tourism on the preservation of traditional arts and crafts in Murshidabad, West Bengal. Adopting a qualitative ethnographic approach, the research draws on primary data collected through semi-structured interviews with local artisans and stakeholders. Purposive sampling was used, and data were analysed using NVivo software to identify recurring themes and patterns.

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1. *This dissertation was done by the scholar under the guidance of Dr. Sumanta Dutta.*

The findings reveal that cultural tourism has positively contributed to artisan livelihoods by increasing visibility, market access, and cultural pride. Tourists' demand for authentic cultural experiences has encouraged artisans to continue traditional practices. However, challenges such as commodification, pricing pressures, lack of institutional support, and concerns over authenticity persist.

The study highlights the role of digital platforms and local cultural events in promoting crafts while emphasizing the need for sustainable tourism strategies and policy interventions. By balancing economic benefits with cultural integrity, cultural tourism can play a vital role in safeguarding Murshidabad's traditional arts and crafts for future generations. The research provides valuable insights for policymakers, tourism planners, and cultural stakeholders aiming to balance economic development with cultural conservation.

Keywords: *Cultural Tourism, Murshidabad, Traditional Arts and Crafts, Tourism Sustainability.*

INTRODUCTION

Cultural tourism refers to travel motivated by an interest in experiencing the cultural heritage, traditions, and artistic expressions of a destination. Unlike mass tourism, cultural tourism emphasizes authenticity, heritage conservation, and meaningful engagement with local communities. In recent years, cultural tourism has gained prominence as a mechanism for safeguarding intangible cultural heritage while simultaneously contributing to local economic development. India, with its diverse cultural landscape, offers immense potential for cultural tourism. Traditional arts and crafts form an essential part of India's cultural identity and rural economy. However, globalization, industrial substitutes, and declining domestic demand have adversely affected traditional artisan communities. Murshidabad, located in West Bengal, exemplifies this paradox. While the district is internationally recognized for its historical monuments and silk industry, many traditional crafts are struggling for survival.

Murshidabad silk, once patronized by royal courts, continues to symbolize craftsmanship and cultural excellence. In addition to silk weaving, the district is known for brassware, pottery, ivory carving, and woodcraft. Despite this rich heritage, artisans face challenges such as declining income, lack of market access, and limited exposure to modern marketing platforms. Cultural tourism offers an opportunity to revive these crafts by connecting artisans directly with tourists seeking authentic cultural experiences. This study seeks to explore the extent to which cultural tourism influences the preservation and sustainability of traditional arts and crafts in Murshidabad.

LITERATURE REVIEW

Existing literature emphasizes the role of cultural tourism in heritage preservation and community development. **Richards (2001)** highlighted that cultural tourism enhances local economies while promoting cultural exchange. **Smith (2003)**

noted that tourism-driven demand can revitalize traditional crafts by creating new markets and increasing visibility.

Studies conducted in the Indian context have examined the relationship between tourism and heritage conservation in destinations such as Jaipur, Bishnupur, and Santiniketan. **Roy & Dey (2017)** examined the challenges faced by the Murshidabad silk industry, identifying rising production costs, declining artisan participation, and competition from power looms as major concerns. **Chakraborty (2021)** cautioned against excessive commercialization of cultural expressions, emphasizing the risk of authenticity dilution.

Recent studies also highlight the growing role of digital platforms in promoting traditional crafts and tourism experiences. However, limited digital literacy among artisans restricts the effective utilization of such platforms. While existing research acknowledges the economic benefits of cultural tourism, there is limited qualitative research focusing on artisan perceptions, particularly in Murshidabad. This study contributes to the literature by offering an artisan-centric perspective on cultural tourism's impact on traditional crafts.

RESEARCH GAP

Despite the growing body of research on cultural tourism in India, several gaps remain evident:

➢ **Geographical Gap:** Limited location-specific studies focusing on Murshidabad's traditional crafts.

➢ **Methodological Gap:** Over-reliance on quantitative tourism data with insufficient qualitative, artisan-focused research.

➢ **Contextual Gap:** Inadequate exploration of post-pandemic tourism dynamics and digital promotion of crafts.

➢ **Perspective Gap:** Limited emphasis on artisan voices regarding authenticity, livelihood security, and sustainability.

This study addresses these gaps by adopting a qualitative ethnographic approach focused on artisan experiences.

RESEARCH QUESTIONS

1. How does cultural tourism impact the sustainability and authenticity of traditional crafts in Murshidabad?

2. What are the perspectives of local artisans and community members regarding the benefits and challenges posed by cultural tourism?

3. To what extent do digital platforms facilitate the promotion of Murshidabad's cultural heritage and artisan products?

4. What strategies can enhance the positive impact of cultural tourism on heritage preservation?

RESEARCH OBJECTIVES

1. To analyze the impact of cultural tourism on the preservation and promotion of traditional arts and crafts in Murshidabad, West Bengal and determine their marketability.

2. To assess the challenges faced by artisans in preserving traditional arts amidst growing tourism demands and modern trends.

3. To recommend strategies for sustainable tourism development that ensures the preservation of traditional arts and crafts while enhancing the socio-economic well-being of local artisans.

RESEARCH METHODOLOGY

Data Collection

To explore the proposed objectives of the study, this study employs a qualitative research technique based on ethnographical approach and immerses in the community of Murshidabad artisans. To collect authentic, in-depth insights for this study, field visits and personal interviews are essential. Conducting face-to-face, semi-structured interviews in January helped in engaging with participants in their own environments, fostering a comfortable space for open sharing. This approach's flexibility was useful since it provided a room for the participants to argue key issues like the effects of cultural tourism on indigenous crafts, their encounter with tourists, and the challenges and opportunities of preserving these cultural traditions. The semi structured interview schedule, with open-ended questions, guided the interviews while still enabling the interviewer to probe deeper, gaining subtle nuances that more structured data collection methods might overlook. This method guaranteed that the data collected is both genuine and comprehensive, giving a clearer picture of participants' perspectives regarding cultural tourism and traditional crafts.

PERIOD OF STUDY

The location of the study is Murshidabad, West Bengal, and the artisans were interviewed from January 10th, 2025 to January 11th, 2025. The total period within which this study will be conducted is 8 months, from August 2024 till March 2025.

SAMPLING METHOD

Purposive sampling has been applied to make sure that participants possess first-hand knowledge about how cultural tourism impacts traditional crafts in Murshidabad. Purposive sampling is a method of participant selection according to some characteristics that are appropriate for the research objectives. In contrast to random sampling, this approach ensures that only individuals with appropriate expertise, experience, or involvement in the study topic are chosen. It is particularly useful in qualitative studies, where the aim is to obtain rich, information-rich data rather than generalisability. This approach allows for

purposeful sampling of individuals who are directly engaged with or affected by cultural tourism, including local artists, tourism entrepreneurs, community leaders, and cultural representatives.

By focusing on these key stakeholders, the study ensured that the data collected is relevant, rich, and aligned with the research objectives.

The sample size for this study is 10-15 participants, determined based on the concept of data saturation. Saturation occurs when additional interviews no longer yield new themes, patterns, or insights, indicating that further data collection would be redundant. Interviewing 10-15 participants is expected to provide sufficient depth and diversity in perspectives while ensuring analytical rigor. This approach allows meaningful data interpretation without unnecessary redundancy.

PROCEDURE FOR ETHNOGRAPHICAL ANALYSIS

The following is the flowchart of the ethnographical analysis:

Sample Size

The ideal number of interviews of an ethnographical analysis is 10-15 respondents. The research following would require a sample size of 5-15 individuals. 13 participants have been interviewed for the same. The participants has been assigned codes (AR1 – AR13) to preserve individual anonymity.

SAMPLING TOOLS

We have considered NVivo as our data analysis programme wherein the interviews have been coded and analysed. It aided in creating topics and groups which were most prominently used throughout the interviews, and derive major keywords from the same. The codes have been further utilized into Word Clouds using NVivo. A "Word Cloud" is a graphical display of a group of words, with the size of each word indicating its frequency or relevance in the provided text or data set. The larger and more prominent a word appears in the cloud, the more frequently it appears.

ANALYSIS AND INTERPRETATION

DATA ANALYSIS

This research has been conducted in order to comprehend any influence of cultural tourism on preservation and promotion of traditional arts and crafts of Murshidabad, West Bengal and their marketability. It also aims to focus on the challenges faces by artisans in preserving traditional arts and crafts amidst growing tourist demands and modern trend while suggesting some possible strategies to ensure the preservation of them in the long term. For our study, we have only interviewed artisans who participated in the "Shristishree Mela 2025" in Berhampore, Murshidabad. The interviews were recorded with the permission of the participants in Bengali and then transcribed into English maintaining the integrity and sentiments as closely as possible whilst aligning with the questions.

PARTICIPANTS' PROFILE

Table 3.1. Demographics of the participants

Participants	Age (in years)	Gender	No. of years working as an Artisan	Type of Art/Craft they're associated with
AR1	48	Female	15	Jute
AR2	53	Male	2	Silk
AR3	N.M.	Female	6	Kantha Stitch
AR4	N.M.	Female	40	Jute, Polycane Art
AR5	60	Male	40	Silk
AR6	32	Female	12	Jewellery
AR7	38	Female	17	Jute
AR8	32	Female	3	Honey
AR9	N.M.	Male	17	Jute
AR10	50	Female	18	Jute
AR11	27	Female	4	Jute, Cloth
AR12	32	Female	18	Jute
AR13	27	Female	20+	Jute

Note: N.M.=_Not Mentioned_

DATA INTERPRETATION

Fig 3.1. Word Cloud of interviews of Artisans

Objective 1: To analyze the impact of cultural tourism on the preservation and promotion of traditional arts and crafts in Murshidabad, West Bengal, and determine their marketability.

Demand for Traditional Arts and Crafts: Artisans working in Jute, Silk, Kantha Stitch, Polycane Art, Jewelry, and Honey production have reported that cultural tourism plays a significant role in sustaining the demand for their crafts. The word cloud highlights key terms such as "tourists," "melas," "demand," "business," and "orders," reinforcing the notion that tourism-driven events are central to artisan livelihoods.

Representatives AR1, AR3, AR4, AR6, AR7, AR9, and AR12 highlighted that tourism-driven events like melas generate the highest sales, especially during the winter season. However, some artisans (AR2, AR5, and AR8) noted that while demand exists, it is highly seasonal, and off-season periods lead to financial instability.

The demand for Murshidabadi Silk remains high (AR2, AR5, and AR10), especially among metropolitan buyers ("cities" and "metropolitan" in the word cloud), but competition from machine-made alternatives has led to price pressures, making it difficult for handloom artisans to sustain profitability. The influx of foreign interest in Jute and Silk products (AR1, AR2, and AR11) has provided new opportunities for growth. However, artisans feel that expanding to digital platforms (AR7, AR10, and AR12) could further increase marketability, as reflected in keywords like "online" and "Facebook".

Objective 2: To assess the challenges faced by artisans in preserving traditional arts amidst growing tourism demands and modern trends.

Main Challenges Faced: The word cloud indicates several challenges artisans' face, with terms like "machine," "financial," and "authenticity" reflecting key concerns. Artisans across various crafts consistently reported difficulties related to financial sustainability, modernization, and lack of consistent orders. The primary issues mentioned include:

➢ **Financial Strain:** Many artisans (AR3, AR7, AR8, AR9, and AR10) struggle with financial stability, particularly during non-peak seasons. Due to inconsistent orders ("orders" in the word cloud) and fluctuating demand, they often find it difficult to afford raw materials and sustain their businesses.

➢ **Competition with Machine-made Products:** Silk weavers (AR2, AR5, and AR10) reported that mechanization ("machine" in the word cloud) has reduced the demand for traditional hand-woven products to an extent. Machine-made silk products are cheaper, can be made quickly and is more widely available, reducing the preference for hand-woven silk despite its superior quality.

➢ **Physical Labor and Craft Sustainability:** Artisans (AR4, AR6, and AR12) mentioned that the physical strain involved in traditional crafts can be overwhelming. Hand-embroidered Kantha Stitch, for example, takes months to complete, and low financial returns discourage young artisans from continuing the craft ("young," "learn," and "training" in the word cloud).

➢ **Dependence on Melas and Seasonal Sales:** Several artisans (AR1, AR3, AR5, and AR9) noted that melas are their primary source of income ("melas" and "income" in the word cloud), and they struggle financially outside of these events. While government support ("government" in the word cloud) has been beneficial in providing free stalls, travel allowances, and lodging (AR1, AR2, and AR12), artisans emphasized the need for more frequent and widespread exhibitions to sustain year-round income.

➢ **Tourist Preferences and Authenticity:** Some artisans (AR6, AR8, and AR11) acknowledged the need to balance maintaining traditional authenticity ("authentic" and "quality" in the word cloud) while catering to evolving tourist preferences. While most tourists appreciate handcrafted, culturally rich products, artisans must occasionally adapt designs ("designs" in the word cloud) to meet market trends.

➢ **Lack of Digital and Global Outreach:** While some artisans (AR7, AR10, and AR12) use Facebook and WhatsApp for marketing, most lack access to e-commerce platforms such as Amazon or Flipkart ("online," "business," and "customers" in the word cloud). Expanding to digital marketplaces could help increase sales beyond local events and ensure stable demand throughout the year.

Objective 3: To recommend strategies for sustainable tourism development that ensures the preservation of traditional arts and crafts while enhancing the socio-economic well-being of local artisans.

Opportunities for Growth and Recommendations: Despite these challenges, artisans see potential for growth through strategic interventions. The word cloud highlights "government," "training," "collaborations," "tourism," and "marketable," indicating areas of opportunity for sustainable development. Suggestions for improvement include:

➢ **Increased Government and NGO Support:** Artisans (AR1, AR5, and AR9) requested more financial assistance, including subsidized raw materials, low-interest loans, and better infrastructure for melas and local markets. Some suggested increasing collaborations with government initiatives like Biswa Bangla (AR2, AR10) to boost sales ("government" in the word cloud).

➢ **Expansion to Digital Markets:** Multiple artisans (AR7, AR10, and AR12) expressed interest in selling products online through e-commerce platforms. Training programs on digital marketing and online sales could help artisans expand their reach beyond Murshidabad and metropolitan cities ("online," "marketable," and "business" in the word cloud).

➢ **Enhancing Tourism Infrastructure:** Some artisans (AR3, AR6, and AR11) believe that tourism could be further leveraged to increase demand by promoting Murshidabad as a hub for heritage crafts. Encouraging tour operators to include artisan workshops in cultural tourism packages could drive more sales ("tourism," "tourists," and "business" in the word cloud).

➤ **Training and Youth Engagement**: Several artisans (AR4, AR5, and AR9) emphasized the importance of training young artisans to ensure the longevity of traditional crafts ("young," "training," and "learn" in the word cloud). Establishing more skill development programs and craft-based educational initiatives could attract the younger generation to continue Murshidabad's traditional arts.

➤ **More Frequent and Global Exhibitions:** Artisans (R1, R3, and R10) recommended expanding melas to other states and even internationally. They believe that exposure to foreign markets could significantly boost demand for their crafts ("melas," "marketable," and "income" in the word cloud).

By leveraging tourism, digital outreach, government support, and training programs, Murshidabad's artisans can sustain and expand their traditional crafts while preserving their cultural heritage.

CONCLUSION

The study concludes that cultural tourism plays a crucial role in the preservation and sustainability of traditional arts and crafts in Murshidabad by enhancing market access, economic opportunities, and cultural visibility. However, sustainability depends on addressing challenges related to commercialization, institutional support, and skill development. Policymakers and tourism planners must adopt community-based tourism models, strengthen digital inclusion, and ensure fair compensation for artisans. Responsible cultural tourism can serve as an effective tool for safeguarding Murshidabad's rich artistic heritage while promoting inclusive economic development.

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A Study on the Influence of Rural Women in Household Purchase Decision-Making for FMCG Products
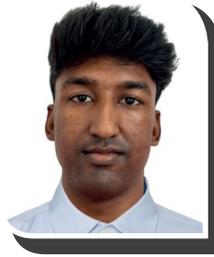
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Abstract

The influential role of rural women in household purchase decisions related to Fast-Moving Consumer Goods (FMCG) is an emerging area of interest for both scholars and marketing professionals. With 70% of the Indian Population residing in rural regions, it becomes imperative to grasp the dynamics of purchasing behaviour among women in these communities. This study investigates the extent of influence of rural women in household purchase decisions, exploring the key economic, socio-cultural, and psychological and behavioural determinants shaping their choices, and evaluating the effectiveness of marketing initiatives directed towards them. A quantitative approach was combined with a descriptive method. A total of 250 rural women from the Manguria village in the Purulia District were interviewed to gather the required data. The responses were analysed using non-parametric statistical tools via the SPSS software package.

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1. *This dissertation was done by the scholar under the guidance of Dr. Shivaji Banerjee.*

Findings challenged the conventional notion that men dominate buying decisions, showing instead that rural women play a major part in household FMCG purchases. Psychological and behavioural factors tend to influence decisions more than economic and socio-cultural limits. Marketing strategies also play a significant role in shaping buying habits, particularly when they focus on raising awareness, connecting with local culture, and establishing trust in the brand. A woman's occupation and education level strongly affect how confidently she can make purchase decisions, whereas age and family income have a limited effect.

The study points out the need for FMCG companies to tailor marketing tactics for rural women, with a focus on localised branding, trust-building activities, and simple yet effective consumer education. By acknowledging rural women as important decision-makers, businesses can boost sales, increase brand loyalty, and support the socio-economic development of rural women.

Keywords: *FMCG, Marketing Strategies, Purchase Decisions, Rural Women.*

INTRODUCTION

"*You can tell the condition of a nation by looking at the status of its women.*"

- Pt. Jawaharlal Nehru

This quote resonates strongly in rural India, where women are no longer confined to traditional roles but are emerging as key decision-makers, economic contributors, and agents of change. As nearly 70% of India's population resides in rural areas, the influence of women, particularly in the fast-moving consumer goods (FMCG) sector, is both significant and growing. Rural women, once limited to household responsibilities, are now actively engaging with brands, consuming digital content, and making informed choices in areas such as food, personal care, and household products. Their increasing financial independence, changing family structures, and access to technology are reshaping consumer behaviour in rural markets. Yet, challenges persist. Socio-cultural barriers and limited access to resources continue to restrict their full potential. Despite this, their role in consumption is evolving—from passive participants to influential consumers. The growing influence of rural women is reshaping the FMCG landscape and redefining consumption patterns in India's rural economy.

LITERATURE REVIEW

The literature on rural consumer behaviour underscores the vital role of women in household FMCG purchasing decisions, shaped by cultural, social, economic, and marketing factors. Gupta et al. (2024) highlight that cultural marketing greatly influences consumer behaviour, showing that cultural perceptions determine how consumers in different countries respond to products. Kirkwood et al. (2022) note that gender-based inequalities and financial dependence limit women's participation in household decision-making, emphasising that employment and economic independence boost women's influence.

Rural purchasing patterns are influenced by loyalty, product accessibility, and promotional strategies. Sekhar et al. (2022) report that women in rural Andhra Pradesh are particularly loyal to their regular shops, while men are more responsive to promotional offers. Kakati and Ahmed (2016) describe the varied roles household members play in purchase decisions, noting that women often act as initiators, influencers, deciders, and purchasers, whereas husbands or elder family members typically serve as financers or ultimate deciders in major purchases.

Additionally, the quantity and packaging of FMCG products significantly influence rural consumption. Karmoker and Haque (2016) find that rural consumers prefer smaller, affordable product packages such as shampoo sachets and small toothpaste tubes, often guided by discounts, small gifts, and local advertisements, including wall paintings, radio commercials, and mobile van campaigns. Kumar and Gogoi (2013) further emphasise the growing importance of the rural FMCG sector in India, noting that government development schemes and decentralised governance have created new opportunities for market entry, making rural markets highly attractive to businesses.

Historical perspectives reinforce these findings. Mujahid-Mukhtar and Mukhtar (1991) illustrate that, even for high-value consumer durables in Pakistan, men traditionally dominate purchase decisions. However, the degree of female influence varies depending on the product and household context. Together, these studies indicate that while women increasingly participate in rural FMCG decision-making, their influence is mediated by socio-cultural norms, financial autonomy, marketing strategies, and product characteristics.

RESEARCH GAP

Despite extensive studies on rural consumer behaviour, the role of rural women in FMCG decision-making remains underexplored. Most research focuses on households or male decision-makers, overlooking women's growing influence in both family and community settings. Key factors such as media exposure, rising education levels, government-led empowerment initiatives, and digital marketing in rural areas have not been adequately addressed in understanding their purchasing behaviour.

RESEARCH QUESTIONS

1. To what extent do rural women influence household purchase decisions for FMCG products in the Purulia District of West Bengal?

2. What are the key economic, socio-cultural, psychological, and behavioural factors influencing rural women's purchase decisions?

3. How effective are marketing strategies such as advertising, promotions, and retailer influence in shaping rural women's FMCG purchase behaviour?

4. How have changing socio-economic conditions and women empowerment initiatives altered the decision-making roles of rural women in household FMCG purchases?

RESEARCH OBJECTIVES

1. To determine the extent of influence rural women have on household purchase decision-making for FMCG products.
2. To identify the key economic, socio-cultural, psychological and behavioural factors influencing rural women during household purchase decision-making for FMCG products.
3. To examine the effectiveness of marketing strategies on rural women's household purchase decision-making for FMCG products.

RESEARCH METHODOLOGY

The study follows a descriptive research design using a quantitative approach. This method enables the identification of patterns, motivations, and the impact of key variables like brand knowledge, pricing, promotions, and market accessibility.

Primary data was collected through structured questionnaires administered via face-to-face interviews, considering varying literacy levels. Responses were measured using a 5-point Likert scale, allowing for statistical analysis of influence and behavioural trends. Secondary data was also reviewed from government reports, rural marketing literature, and previous studies.

A **probabilistic sampling method** was adopted, focusing on female respondents in the **Purulia district** due to its unique socio-cultural context.

The study surveyed 250 rural women respondents in Purulia. Data collection spanned one month, while the total research duration was three months, conducted from December 2024 to March 2025.

The tools used to analyse the data collected are SPSS and Microsoft Excel. The statistical analysis in this study includes the Normality test, and Non-parametric tests like Kruskal-Wallis H Test, Wilcoxon Signed Rank Test, Friedman's Rank Test and Spearman's Rank Correlation.

ANALYSIS AND INTERPRETATION

Our dataset's Cronbach's Alpha score is 0.836. The results of the normality test showed that our dataset is not normally distributed. Thus, we have used a non-parametric test for our analysis.

The details concerning the respondents' age, education level, occupation, and monthly household income are given below.

Figure 1 Age Distribution of Respondents

Figure 2 Education Distribution of Respondents
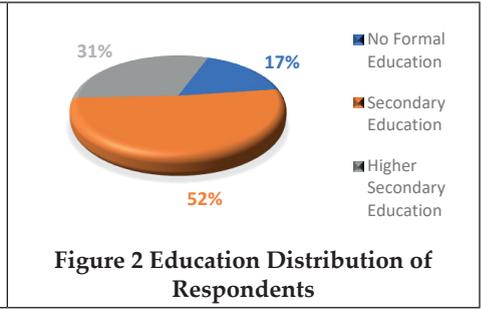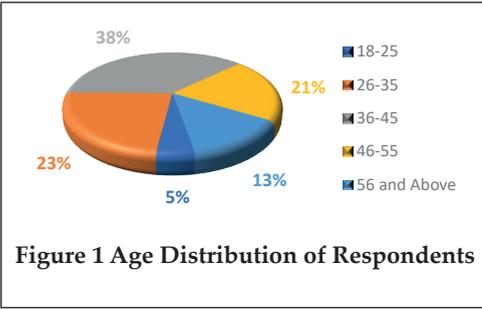
The majority of respondents (37.6%) were between 36–45 years of age-, and 51.6% had completed secondary education.

Figure 3 Occupation Distribution of Respondents

Figure 4 Household-Income Distribution Of Respondents
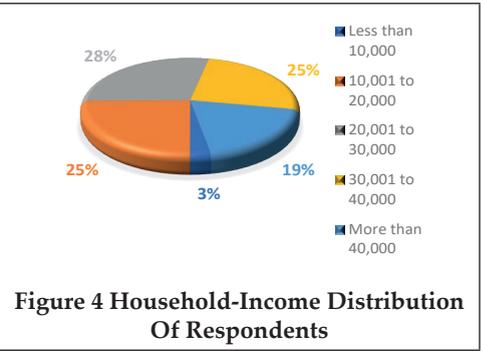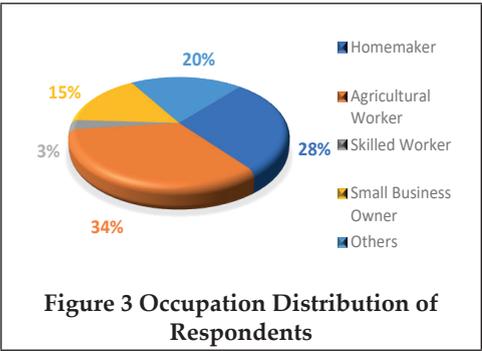
A significant share were agricultural workers (33.6%) and homemakers (28.4%), with most households earning between ₹20,001–₹30,000 per month.

The Kruskal–Wallis H test was used to assess whether demographic variables significantly affected women's influence in FMCG decision-making.

Table 1 Summary of Kruskal-Wallis H Test on Demographic Variables vs Influence on FMCG Purchase Decision-Making

Test Statistic			
Sl No.	Variable	Sig.	Kruskal-Wallis H
1	Age	0.314	4.750
2	Education Level	0.000	225.724
3	Occupation	0.037	10.219
4	Household Income	0.920	0.933

The results showed that education level ($p = 0.000$) and occupation ($p = 0.037$) significantly influenced purchasing authority, with educated and economically active women showing greater decision-making autonomy.

To assess whether rural women significantly influence household FMCG purchases, the Wilcoxon Signed-Rank Test was conducted.

Table 2: Wilcoxon Signed-Rank Test: Rank Summary for Influence Score

Neutral - Influence Score	N	Mean Rank	Sum of Ranks
Negative Ranks	229	116.58	26696.00
Positive Ranks	2	50.00	100.00
Ties	19		
Total	250		

Out of 250 respondents, 229 reported influence scores (Influence Score [Mean] = [Q5+Q6+Q7+Q8+Q9] / 5) above the neutral value of 3, with only 2 below and 19 neutral.

Table 3 Wilcoxon Signed-Rank Test: Statistical Results

	Neutral - Influence Score
Z	-13.266
Asymp. Sig. (2-tailed)	.000

The statistical results (Z = -13.266, p = 0.00) confirmed that rural women play an active and significant role in household purchase decision-making. This underscores a shift from passive involvement to active participation, especially in products related to daily needs.

The Friedman Test examined differences among four categories of influencing factors—economic, socio-cultural, psychological, and behavioural.

Table 4 Mean Ranks of Influencing Factors

Factors Influencing Rural Women's Purchase Decision-Making	Mean Rank
Q10: Financial Condition	4.23
Q11: Discounts and Offers	4.22
Q12: Family Traditions and Social Norms	4.15
Q13: Community	4.50
Q14: Brand Preference	4.88
Q15: Brand Loyalty	4.49
Q16: Information Seeking	4.71
Q17: Brand Switching	4.82

The mean ranks indicated that brand preference (4.88) and brand switching (4.82) were the most influential, followed by information seeking (4.71) and brand loyalty (4.49). Economic aspects like financial condition (4.23) and discounts and offers (4.22) ranked lower, suggesting that while affordability matters, brand-related and behavioural dimensions play a more decisive role.

Table 5 Friedman Test: Statistical Results

Test Statistics	
N	250
Chi-Square	28.735
df	7
Asymp. Sig.	.000

Results revealed a significant difference ($\chi^2 = 28.735$, p = 0.000) among the factors.

Table 6 Spearman's Correlation: Economic Factors and Influence Score

Factor	Spearman's ρ	Significance (p)
Financial Condition	0.302**	0.000
Discounts & Offers	0.110	0.084

**. Correlation is Significant at 0.01% level (2-Tailed)*

Spearman's correlation showed a moderate positive relationship between financial condition (ρ = 0.302, p = 0.000) and purchase influence, indicating that better financial standing enhances decision-making power. In contrast, discounts and offers (ρ = 0.110, p = 0.084) were not significant, implying that short-term promotions are less effective in driving rural purchasing behaviour compared to affordability and long-term value.

Table 7 Spearman's Correlation: Socio-Cultural Factors and Influence Score

Factor	Spearman's ρ	Significance (p)
Family Traditions & Norms	0.208**	0.001
Community Influence	0.199**	0.002

**. Correlation is Significant at 0.01% level (2-Tailed)*

Family traditions and social norms (ρ = 0.208, p = 0.001) and community influence (ρ = 0.199, p = 0.002) both showed weak but significant relationships. Rural women's purchase behaviour remains influenced by collective opinion and cultural expectations, though not as dominantly as economic or behavioural factors. Marketers should therefore leverage local influencers and community-based promotion to align with cultural norms.

Table 8 Spearman's Correlation: Psychological and Behavioural Factors and Influence Score

Factor	Spearman's ρ	Significance (p)
Brand Preference	0.216**	0.001
Brand Loyalty	0.321**	0.000
Information Seeking	0.288**	0.000
Brand Switching	0.340**	0.000

**. Correlation is Significant at 0.01% level (2-Tailed)*

The results revealed that brand loyalty ($\varrho = 0.321$, p = 0.000) and brand switching ($\varrho = 0.340$, p = 0.000) were strong determinants of purchase decisions. Rural consumers show a blend of loyalty and experimentation, driven by trust and exposure to new brands. Information seeking ($\varrho = 0.288$, p = 0.000) also had a significant impact, suggesting that rural women actively gather product information, often through interpersonal and local sources. Thus, consistent brand communication and relationship-building are essential to maintain market presence.

To examine the impact of marketing strategies, the Friedman Test was applied to the 4A framework.

Table 9 Mean Ranks of Marketing Strategies

Marketing Strategies Affecting Rural Women's Purchase Decision-Making	Mean Rank
Q18: Affordability	2.54
Q19: Availability	2.33
Q20: Awareness	2.58
Q21: Acceptability	2.55

The ranking of strategies shows that awareness (2.58) and acceptability (2.55) are the most influential factors, followed by affordability (2.54) and availability (2.33). This indicates that rural consumers prioritise being informed and socially aligned with a product over price or accessibility.

Table 10 Friedman Test: Statistical Results

Test Statistics	
N	250
Chi-Square	8.031
df	3
Asymp. Sig.	.045

The results ($\chi^2 = 8.031$, p = 0.045) show a significant difference in the effectiveness of marketing strategies.

Spearman's correlation further confirmed significant positive relationships between all four strategies and purchase influence.

Table 11 Spearman's Correlation: Marketing Strategies and Influence Score

Factor	Spearman's ϱ	Significance (p)
Affordability	0.330**	0.000
Availability	0.342**	0.000
Awareness	0.354**	0.000
Acceptability	0.487**	0.000

**. Correcorrelation is Significant at 0.01% level (2-Tailed)*

Acceptability ($\varrho = 0.487$, $p = 0.000$) showed the strongest effect. This means rural women prioritise products that fit their cultural and practical needs. Awareness ($\varrho = 0.354$, $p = 0.000$) highlights the growing importance of communication and local advertising, while Availability ($\varrho = 0.342$, $p = 0.000$) and Affordability ($\varrho = 0.330$, $p = 0.000$) remain important but secondary factors.

CONCLUSION

This study provides valuable insights into the evolving role of rural women in household FMCG purchase decisions in Purulia District. Demographic analysis shows that educated and economically active women display greater autonomy in decision-making. Conversely, age and income were found to have minimal impact. The findings clearly establish that rural women exert a significant influence on household purchases, reflecting a gradual shift from traditional male-dominated decision-making to shared or independent choices. While economic factors such as financial condition hold relevance, psychological and behavioural dimensions— particularly brand loyalty, brand switching, and information seeking—emerge as stronger determinants of purchase decisions. The study further reveals that awareness and acceptability of products influence buying behaviour more than affordability and availability, highlighting the need for marketers to focus on trust, cultural relevance, and brand engagement rather than solely on pricing. The implications are clear, businesses must prioritise long-term relationship-building through culturally sensitive communication, credible brand narratives, and consistent product quality. Policymakers should strengthen educational and financial literacy initiatives to further empower rural women as informed consumers. Overall, rural women have transitioned from being passive participants to active decision-makers in household FMCG purchases. Recognising and responding to this empowerment will be essential for marketers aiming to build sustainable connections and brand loyalty within India's dynamic rural landscape.

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NOTES