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## From the Editor's Desk

The business world today is quickly developing and an exceptionally capricious scene. Organizations today are working in an Unstable, Dubious, Mind boggling and uncertain world, otherwise called the VUCA climate which impeccably portrays the progressions occurring in the worldwide corporate world. It is affecting going everything from decision making to speculations and benefits to worker experience. HR experts need to foster scholarly business discernment to grasp about market elements and make their practices in like manner. Individuals with Handicap face many difficulties and issues in their day to day existence fair and square of attitudinal, infrastructural and at work environment. As per WHO (2019) study, it is assessed that around 15 million total populace are individuals with incapacities still their commitment in workforce is negligible. However, they have demonstrated their legitimacy and capacities to perform outstandingly well in the association where they have been selected and utilized. Many organizations like Mindtree, Customer Stop, Mhpasis, Capgemini, TCS, Infosys, Hub Bank, IDFC Bank, Volvo and so on. Concurred that they are more useful than non-handicapped. Hence, PwDs can be utilized alongside the right valuable open doors and sensible help. Preparing is a maintenance strategy that cultivates devotion and dependability among workers. If associations give representatives amazing chances to develop, they will be more disposed to remain in the associations. An organization's interest in preparing exhibits to its representatives that they are esteemed and supports a well-disposed workplace. Representatives may feel more satisfied with their work assuming that they are esteemed and allowed the opportunity to develop through preparing open doors.

Development of Data Innovation have made associations close and connected globally, and thus aware of representative execution. Workplace have become testing Pressure can influence any one, a labourer or a chief, youthful or old. Also, practically any work condition can make pressure contingent on a representative's discernment. Stress can prompt inconsistent way of behaving and a bringing down of execution and turnover. Delayed openness to upsetting circumstance produces physical, mental and social consequences for an individual and their work execution. Stress-related diseases and passing show that pressure forces issues on individual wellbeing and prosperity as well as influences authoritative efficiency. In this way, it is vital that association puts forth substantial attempts to forestall or lessen work pressure for individual representatives. Human Asset divisions in this manner plan hierarchical methods for dealing with especially difficult times by zeroing in consideration on every particular work stressor. Furthermore, more summed up methodologies can incorporate the accompanying; Profound environment control; giving an environment of regard and respect to representatives and by permitting them to take part in all navigation including change in their workplace.

Associations utilize different procedures to assist workers with conquering pressure and the HR strategy of the organization is planned as far as what representatives need and not what the organization needs.

The development of the expected market, dynamic clients of web-based entertainment, and organization organizations supporting this industry is major areas of strength for the splendid possibilities of powerhouse showcasing in India. Subsequently, the peculiarity of powerhouse showcasing ought to be analysed from the part of correspondence action, yet additionally as a laid out coordinated area in promoting which gives potential open doors to anybody to be engaged with this industry since web-based entertainment obscures the limits between powerhouses who are content makers and purchasers. This exploration likewise shows that the ubiquity of forces to be reckoned with as a promoting correspondence movement through online entertainment started to take off in 2016 on the planet and all the while in India. Green bonds have emerged as a promising monetary instrument for progressing financial improvement by engaging financial backers to help biological and climate related projects. The green security market filled altogether lately, with issuances showing up at record levels. The improvement of the market has been driven by an extent of factors, including growing solicitation from financial backers, great administrative structures, and the improvement of green security norms and certificate plans. It is similarly focused on that the green bond issuances quite influence reasonable improvement by propelling interests in environmentally friendly power, energy proficiency, green structures, and other maintainable undertakings.

The integration of Real Estate Investment trusts into financial plans is a personal decision that will vary depending on individual investment goals and risk tolerance. By considering the potential risks and benefits and aligning investments with personal financial goals, investors can make informed decisions about the integration of REITs into their financial plans. With careful planning and a clear understanding of the market and economic conditions, REITs can offer a unique opportunity for investors to achieve their financial goals and build a strong and well-diversified investment portfolio.

*We thank all the authors and reviewers for their valuable contributors!!*

**Dr. Kavita Khadse**  
**Editor**

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## Evolving Concept and Popularity of Influencers: A Literature Review

\* Bins Maniyattu Mathew<sup>1</sup> and Dr. Balaji Sadavarte<sup>2</sup>

### Abstract

*Network marketing has shifted from traditional media to social media; leading social media platforms like Facebook, YouTube, Instagram, Twitter (X), TikTok, Pinterest, Snapchat, and LinkedIn have more than a billion active users. Social media gradually became a place where consumers can share their shopping experience and lessons after shopping, and persuade others by sharing useful information. The growing popularity and usage of Social Media platforms have forced marketers to examine their marketing strategies to remain prevalent amongst the young generations. The shift to influence others was observed as a promising future by marketers and brands with the growth of the social media networks on various platforms. Businesses and audiences can communicate, and both sides can achieve their own goals through the influencers who can be engaged by brands on the major social media platforms. The literature review undertaken as part of this research shows the development of the influencer concept from the traditional to modern context; year 2016 has shown a significant growth in this industry. This study concludes with seeing this industry emerging bright in the global and Indian arena.*

**Keywords:** *Influencer, Influencer marketing, Social media*

## INTRODUCTION

The populations who have settled in urban areas contribute to 56% of the 8.05 billion total population of the world. (World Bank, 2023). Internet penetration continues to grow as there are 5.19 billion individuals using the internet worldwide in 2023, which is 64.5% of the population (Data-reportal, 2023). In line with the growth of internet users, the rapid use of social media in the world

becomes so much more interesting, with 4.88 billion active social media user accounts in 2023. The growth is by a year-on-year change in social media identities at +3.7%, i.e. +173 million users (Data-reportal, 2023). This adoption rate of social media has been phenomenal over the past decade with the diffusion of the internet. The social media originally facilitated social activities by connecting with friends and families by sharing stories, experiences, thoughts, and opinions in social circles has

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1. Research scholar, Guru Nanak Institute of Management Studies, King's Circle, Matunga (E), Mumbai 400019. Email: bins@gnims.com
  2. Associate Professor, Chetana's R.K. Institute of Management and Research, (CRKIMR), Bandra East, Mumbai 400051. Email: sadavarte.balaji@crkimr.in

turned into a great opportunity promising economic value activity for businesses and customer engagement. This activity was observed amongst social media users who attracted large followers or fans and became an influencing force for affecting their shopping behaviors (Gupta & Wadhvani, 2020; Lou & Yuan, 2019; Ye et al., 2021). This activity was known as influencer marketing.

The influencer marketing tactics has been increasingly popular and consistently growing since 2017 (Tanwar et al., 2022). Businesses considered this trend and proactively strategise to enhance their brands marketing communications. The most influential thing to happen to the industry in the past decade is the impact of social media influencers on digital marketing. The growth of influencer gave companies the option to employ real, unique people to market their products without having to develop all of the content themselves. It was revolutionary and has changed the conventional advertising strategies of businesses for good. The most impressive developments from influencers are that with enough time, consistency and valid information across, they could generate various contents of their interests and varied themes. Major followers of the influencers considered them as experts in their given field and found them trustworthy and relatable (Mostashari, M. 2022).

### Research Questions

How did the concept of influencer which refers to those personalities who are famous on social media evolve? When did the popularity of influencer activity started to grow rapidly and what values proposition they had? How did the influencer marketing industry grow in the global and Indian market? These three questions about the influencer activities are important to understand the specific context. The study tries to evaluate the research

questions using a literature review approach.

### METHOD

This research uses a qualitative approach with the literature review method. The method conducts searching, obtaining, reading, and evaluating previous literature on the topic under discussion (Abbott & Bordens, 2018). Specifically, to review the knowledge base and conceptualize a specific topic that is developing. This study uses an integrative literature review (Snyder, 2019). In the integrative literature review the purpose is to combine perspectives and insights from different fields of research on a topic, theory, and concepts (Snyder, 2019). The review in this study was designed for identifying the progression in the change of influencer concept that has been present and to find an acceptable answer to the research questions.

The selection of literature providing insights on the topic of influencer development in various related fields such as management, marketing communication, celebrities, advertising, marketing, and businesses was done. The reviews of literature from the global context using a number of international articles and other relevant (secondary) facts were also referred. This enabled us to check and conclude the chronology of the start of the popularity of the current trending sense of influencer term. Data was obtained and collected from various sources, which consisted of journal articles and other relevant and supportive secondary sources (business reports).

In addition to literature, secondary data sources such as reports, internet site articles, Google Trend analysis, are used to see an overview of the condition and development of the influencer marketing industry globally and within Indian context. The purpose related to research questions was to



summarize or evaluate a large field of research or even several research areas.

S. No	Article title	Author	Journal	Perspective	Summary
1	Instafamous and social media influencer marketing	Jin, S.V., Muqaddam, A. and Ryu, E. (2019)	Marketing Intelligence & Planning	Marketing, Marketing strategy	The results indicate that compared to traditional celebrity's brand posts Vs Instagram celebrity's brand posts consumers perceived the source to be more trustworthy, showed more positive attitude toward the endorsed brand and felt more envious of the source.
2	Social Media Marketing Influencer: Literature Review on Promotional Strategies Using the Influence of Social Media Celebrities	Angraini, Nadia (2023)	International Journal of Economic Research and Financial Accounting (IJERFA)	Finance, Accounting, Marketing	This research identifies the role of online marketing communication using celebrity influencers for potential consumers. The result of this study is that using celebrity influencers are more influential than other celebrities for SM marketing, consumers feel close to the daily activities of celebrity influencers on social media.
3	The effects of influencer type, regulatory focus, and perceived authenticity on consumers' purchase intention	Ren, L., Lee, S. K., & Chun, S. (2023)	International Journal of Consumer Studies	Consumer Behavior	In this research, influencers classified as celebrity & noncelebrity groups were analyzed how they affect consumers' purchase intention. People have higher purchase intentions for products recommended by non-celebrity influencers than those by celebrity influencers.
4	Social media influencer (SMI) as a human brand – A need fulfillment perspective	Malik, Aaminah Zaman & Thapa, Sajani & Paswan, Audhesh (2022).	Journal of Product & Brand Management	Brand Management	This study aims to explore the Social Media Influencer –follower relationship from the follower's perspective. Followers attribute SMIs as human brands from a need fulfillment perspective
5	Micro, macro and mega-influencers on instagram: The power of persuasion via the para-social relationship	Conde, R., & Casais, B. (2023).	Journal of Business Research		The findings suggest that significant differences in terms of credibility, attractiveness and established relationship are found between micro, macro and mega-influencers

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6	Role of Micro-Influencers in Affecting Behavioural Intentions	Gupta, Shiromani & Mahajan, Rachna. (2019).	International Journal of Recent Technology and Engineering.		The finding of the research is that in India micro-influencers are gaining much popularity since the users find them relatable and trustworthy. The attractive advertisements leave an impact on followers and also shape their purchase and viral intention.
7	Credibility of digital influencers on YouTube and Instagram	Djafarova, E., & Matson, N. (2021).	International Journal of Internet Marketing and Advertising	Marketing , Advertising	This study explores the influence of beauty influencers on Instagram and YouTube through top micro-celebrity profiles/surveys with the followers. YouTube was identified as the most influential for those aged 18-21.
8	Influencer Marketing: An Exploratory Study to Identify Antecedents of Consumer Behavior of Millennial	Chopra, A., Avhad, V., & Jaju, and S. (2021)	Business Perspectives and Research	Business Research	The research identified key factors of influencer marketing that impact consumer behavior. Product influencer fitment was an important criterion for consumers, as they followed the specific type of influencers for different product categories.
9	Influencer Marketing: How Message Value and Credibility Affect Consumer Trust of Branded Content on Social Media	Chen Lou & Shupey Yuan (2019)	Journal of Interactive Advertising	Advertising ; Business	The study results show that the influencer-generated content's informative value, influencer's trustworthiness, and attractiveness positively affect followers' trust in branded posts, which subsequently influence brand awareness and purchase intentions.
10	Exploring the nexus of social media influencers and consumer brand engagement	Cheung, M. L., Leung, W. K., Yang, M. X., Koay, K. Y., & Chang, M. K. (2022).	Asia Pacific Journal of Marketing and Logistics,	Marketing, logistics	The results show the two dimensions of consumer influencer engagement behaviors - consumption and contribution. They were found to have a significant positive influence on consumers' engagement with endorsed brands.
11	Navigating the Future of Influencer Advertising: Consolidating What Is Known and Identifying New Research Directions	Sara Rosengren & Colin Campbell (2021)	Journal of Advertising	Advertising	The research shows that advertisements by either brands or celebrities can be effective or less effective than contents by influencers. In addition, humans; artificial intelligence influencers can also be effective and persuasive.

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12	Social media influencers: New stakeholders in strategic communication	Nils S. Borchers (2019)	International Journal of Strategic Communication	Strategic Management	In the study it is observed that strategic communication has adopted strategic influencer marketing as a major topic. Many organisations identify influencers strategic communication role as intermediaries in making contact with hard-to-reach stakeholders through influencers' channels,
13	Analysis of the Role of Digital Influencers and Their Impact on the Functioning of the Contemporary On-Line Promotional System and Its Sustainable Development	Wielki, J. (2020)	Sustainability Journal	Business, Sustainability	The results of the research identify that there is a great potential for activities involving effective transmission of information about a product or service, the impact on increased brand awareness, and the impact on the sales level of products and services offered by companies.
14	Role of social media in marketing for flipkart and amazon	Roy, S., & Swain, S. R. (2023)	International Journal of Creative Research Thought	Social media	This research paper examines the similarities and differences in social media strategies and tactics employed by two prominent e-commerce giants. The contributors to this study suggested that by partnering with influencers, Flipkart and Amazon can leverage their reach to promote products, enhance brand image, and attract the attention of their target audience.
15	Virtual Influencers in Online Social Media	Conti, M., Gathani, J., & Tricomi, P. P. (2022).	IEEE Communications Magazine		The virtual influencers are currently made using Computer Generated Imagery. The audience interaction with Virtual influencers is limited mostly to static social media posts/videos. Advancements in VR technology enable some virtual Influencers to participate in live interviews and activities, like more “human”.
16	Influencer marketing within business-to-business organizations.	Cartwright, S., Liu, H., & Davies, I. (2022).	Industrial Marketing Management	B2B	This study explores the dynamics of influencer marketing strategic application in the B2B context. B2B influential marketing are rooted in long-term industry-specific relationships and business networks.

The themes identified through the literatures are:

<b>Theme 1 - Growth of influencer</b>	- Traditional celebrity Social media influencer - Product categories	- Celebrity influencer - Micro influencer - Influencer match
<b>Theme 2 - influencer impact</b>	Influencer content quality impact	
<b>Theme 3 - Influencer role</b>	Strategic communication and Business sustainability	
<b>Theme 4 - Evolving shift</b>	Virtual influencer	

**Table List of Secondary Data**

No.	Type of Data	Author (Year)	Information
1	Report	Data Reportal (2023)	Digital 2023 Global Digital Overview; active social media users and its growth worldwide.
2	Report	Data Reportal (2023)	Digital 2023 India; active social media users and its growth ; most visited website; reason for using social media in Indonesia
3	Internet website article	Geyser, W. (2021)	Type of SMI based on number of followers; SMI cost for service.
4	Google Trend Analysis.	Google Trends (2023), generated by the authors.	Web Search Interest Trends for the Word 'Influencer' Worldwide, 2009–January 01, 2023
5	Google Trend Analysis.	Google Trends (2023), generated by the authors.	Web Search Interest Trends for the Word 'Influencer' in India, 2009 – January 01, 2023
6	Internet website article	Santora (2023)	Growth influencer marketing Market Size, 2016 - 2023
7	Report	India Social Media Statistics 2023	Social media platforms users in India

The next step was to analyze the trend, identify gaps, relevant sub-phenomenon, and the influencer progress activity based on the chronology of those literatures and secondary data collected. The thematic analysis is arranged according to themes or contexts based on the history and development of the concept under study. It ended by a more detailed explanation of the influencer term popularity.

## RESULTS AND DISCUSSION

### Context of Marketing before the Social Media Era

Consumers have been influenced by communications and especially marketing communication through sales pitch from the sales person for a product. A friend or family member giving a word of mouth recommendation, a celebrity endorsing a product regarding the benefits through advertisement. Today with the advent of social media the

new group of influencers have emerged i.e. social media influencers (SMI) including celebrities and normal individuals who have been posting contents through the social media platforms with followers.

Traditional marketing is the most visible and explicit form of marketing following specific strategies and concepts. Traditional marketing is implemented through a non-digital way to promote products or services. Digital marketing, on the other hand, is the marketing of products or services using digital channels to reach consumers. With the rise of the Internet in the mid to late 1990s various digital, social media and mobile marketing (DSMM) brought a radical and constant major transformation in marketing (Müller et al., 2018). Consumers use social media to get information and share experiences, opinions with their friends, businesses, and wider online communities through blogs, tweets, posts, likes, and reviews (Dimitriu, 2017). Digital marketing is a sub-branch of traditional marketing and uses modern digital technologies. A digital marketing strategy of a business may include advertising activities carried out through the Internet, social networks, mobile phones, electronic billboards, and digital television and radio channels.

The most important digital marketing elements are: online advertising, E-mail marketing, social network, Text messaging, Affiliate marketing, Search engine optimization (SEO), Pay per Click (PPC). Social media marketing networks include Facebook, Twitter, LinkedIn and Google+. Through Facebook, the company can promote events related to products and services, and conduct promotions (Killian et al., 2015). The emerging platforms like Instagram snapchat, Pinterest are also contributing to the digital marketing through celebrity and influencer marketing which are identified and initiated with collaboration with/by brand as user generated and

sponsored content.

There is a relationship between audience and celebrity influencers involving a brand and media. The brand represents the identity of a commodity (a product, service or firm), and its main function is to convey a certain level of benefits and quality to the target customers. But to target the audience with its message, media organizations are paid by the advertisers. When a celebrity, or a human brand, is introduced the dynamics change slightly. A celebrity or human brand is defined here as ‘any well-known persona from the field of acting, sports, modeling and music who is the subject of marketing communications efforts’ (Thomson, 2006).

The Social Media Influencer (SMI) works on their network to generate as much attention as possible and craft an authentic “personal brand” via social media networks. The relationship influenced can subsequently be used by companies and advertisers for consumer outreach’ SMIs determine their success in terms of return on influence and marketers seek to capitalize them on their wide social networks and benefit from the intimate, more ‘trustworthy’ relationships SMIs have created (Hearn et al., 2015).

Influencers are made famous through attention from fans. The relationship between the influencer and the followers drives activities followed across various social Medias. The growth of influencers is from enthusiasm and attention sought by the followers to the influencer’s figures and contents. More the number of followers mean the greater the influence of influencers. Influencers can be divided into five tiers, Nano with 1,000–10,000 follower), micro with 10,000–50,000 follower), meso - 50,000–500,000 follower, macro - 500,000–1,000,000 followers and mega - more than

1,000,000 followers (Geyser, 2021).

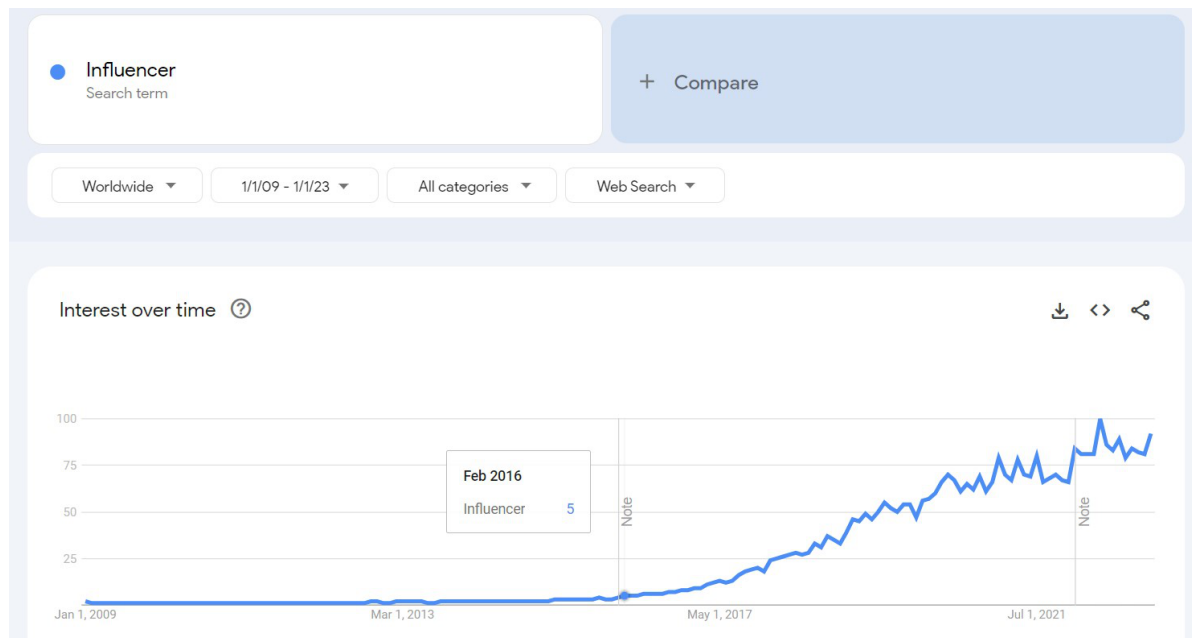
A study to understand the cause-and-effect relationships in between buying behavior of goods and their behavior at print advertisements and social media advertisements, showed social media advertisement appears to be more important when compared to print advertisements. Interestingly, though consumers do trust social media advertisements more, they might not rely on celebrities in advertisements. (Das et al., 2018). Researches show that influencers are more trustworthy than celebrities, and that people identify more with them than celebrities. Therefore influencers may be more effective product endorsers than traditional celebrities and this suggests a practical recommendation to consider using influencer endorsers in marketing campaigns (Schouten et al., 2019).

### Popularity of Influencers

Marketers prefer to collaborate with smaller

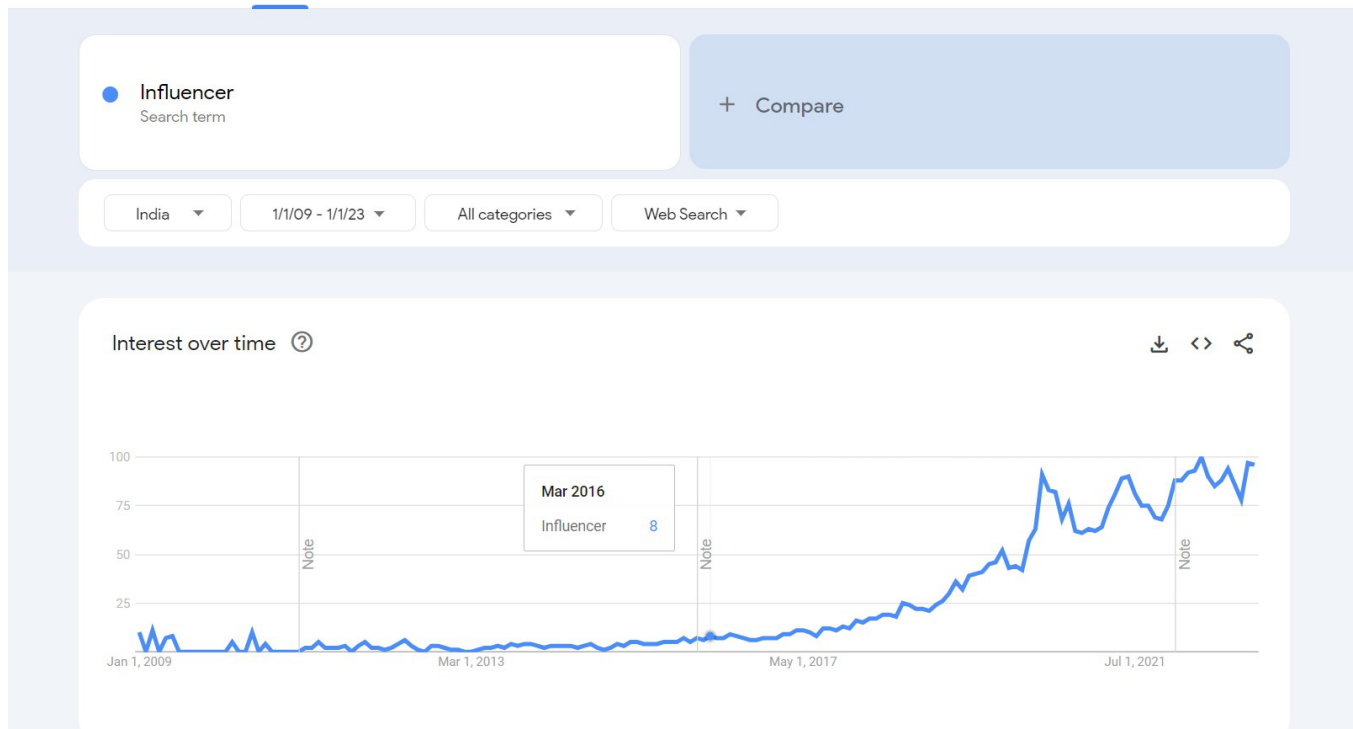
influencers since they have higher engagement rates. It's only natural that smaller influencers are highly preferable among brands. In fact, 80% of influencer marketers say they work with small creators and influencers. These are influencers with fewer than 100,000 followers. Only 16% of marketers say they will be willing to collaborate with celebrity influencers with more than 1 million followers (Hub Spot's Social Media Marketing Report, 2023). The HubSpot survey found that low cost involved is a major factor compelling marketers to go with smaller influencers.

Web search data on Google Trends on search word 'influencer' from the period of early 2009 to Jan 1, 2023 (Figure 1) for the whole world shows a trend that began to increase from beginning Feb-2016, then reached the highest May 2022. Although it has experienced fluctuations since the start of the increase, in general to date it has experienced a slight decrease and improvement to date.



**Figure 1: Web search trends for “Influencer” Worldwide, Jan 1st 2009 - Jan 1st 2023**

*Source: (Google Trends, 2023, generated by the authors)*



**Figure 2: Web search trends for “Influencer” in India, Jan 1st 2009-Jan 1st 2023**

*Source: (Google Trends, 2023, generated by the authors)*

Meanwhile in India, the increase in search for the word ‘influencer’ began during the same time as worldwide by February 2016 and increased very significantly from 42% in February 2020 to 91% in May 2020. Then, this trend fluctuated and peaked to 100% in May 2022, and continued with a nominal decline in the following month (June – November 2022). The search trend has marginally fluctuated from the range of 85% to 97% (Dec 2022). This also validates that 2016 was the year of the rapid growth in activities of social media influencers which was a phenomenon revived by researchers in their scientific literature. The results of the Scopus database using bibliometric methods on the trend influencer marketing from the period 2011 – 2019 by Tanwar et al. (2022) research, showed that the increase in the research contribution and articles in the area of influencer marketing began to occur since 2016 and peaked in 2019. An

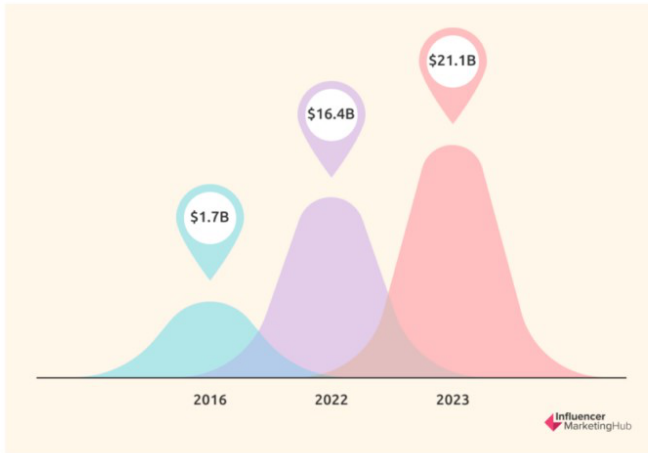
observed interesting finding is that the words ‘influencer marketing’ and ‘social media’ have increased consistently as the most frequently used words in journal articles the researchers have analyzed since 2016. It can be concluded that 2016 was the year where the activities were noticed by many people and gradually this activity developed into a business or marketing communication industry with increasing economic value till date.

### **Growth of Influencer Marketing Industry.**

The influencer marketing industry has been witnessing steady growth since it became popular in the recent decade. The market size has continued to grow over the years. Influencer marketing has grown into a \$21.1 billion industry. This is a significant increase of 29% from \$16.4 billion in the previous year. (Geyser, 2023)



Influencer Marketing Market Size



Source: (Santora, 2023)

### Most Used Social Media Platforms in India 2023

The Indian population has taken to social media like ducks to water. Indians, on average, spend about 2.36 hours on social media daily. In India, the number of social media users will be growing in 2023 at a steady rate of 467 million due to deep penetration of internet connectivity among people. The number of Internet users in India has grown to a whopping 692 million, which is roughly 48.7% of the total population of India. Now, social media has become one of the most essential parts of daily internet usage in India.

Social Network Platforms in India	Percentage	Active Users (In Millions)
Instagram	74.70%	516.92
Facebook	71.20%	492.7
X (Twitter)	42.90%	296.87
LinkedIn	35.70%	247.04
Moj	29.50%	204.14
Pinterest	29.00%	200.68
Moj Lite +	26.20%	181.3
TikTok	21.40%	148.09

Source: (India Social Media Statistics 2023)

72% of marketers say they use Instagram to work with influencers and creators. Instagram continues to be the most popular platform for influencer marketing. TikTok's popularity is also growing, and it's quickly climbed up to second place with 61% of marketers using it. This is followed by YouTube with 58% of marketers using it and Facebook with 57% of marketers'. Instagram's popularity with influencer marketers can be credited to its high return on investment (ROI). 30% of marketers say that they get the biggest ROI for influencer marketing through the platform. In addition, 32% say that it's the easiest platform for working with

influencers (HubSpot survey 2023). Engagement rates on TikTok are highest even for larger influencers. According to engagement rates TikTok ranges between 10.53% for accounts with over 1 million followers and a whopping 15.04% for accounts with 1,000 to 5,000 followers.

### CONCLUSION

This research shows that the development of influencer marketing within the framework of the marketing communication function, especially marketing through social media, is important for the



Indian economy. India ranks number one by population amongst the countries. The median age in India is 28.2 years which contributes to the world's largest youth market ever. The growth of the potential market, active users of social media, and agency companies supporting this industry is a strong reason for the bright prospects of influencer marketing in India. Therefore, the phenomenon of influencer marketing should be examined not only from the aspect of communication activity, but also as an established organized sector in marketing which provides opportunities for anyone to be involved in this industry because social media blurs the boundaries between influencers who are content producers and consumers.

This research also shows that the popularity of influencers as a marketing communication activity through social media began to soar in 2016 in the world and simultaneously in India. The year 2016 was an important moment indicating that the influencer marketing activity began to be considered evolving as a serious industry, so researchers and governments were optimistic to see economic growth in this sector since then. In Indian context this study implied that the year 2016 was the year when this influencer phenomenon started to appear and later gained its fame in 2022, and with potential tailwind to this date.

As a suggestion, the contribution of the economic value of regional influencers and their strategic advantage to the various business models should be explored in further research in order to obtain a more comprehensive investigation to the trends of regional contribution of the influencers and their business linkages can be given economic value assessment.

This study contributes to the knowledge on how

the influencer concept evolved through social media along with shifts in the media landscape and the impact of technological advancement in deep learning areas to this field. This also contributes and how influencer activity grew into significant market value, which started to set stage from 2016 worldwide and also in India. As an implication of this study, our findings suggest that to gain deeper understanding on the impact of growth of influencer activity the identified themes Influencers Impact, Influencer Roles' relationships with business growth and sustainability can be explored.

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## The Integration of Real Estate Investment Trusts (REITs) into Financial Plans

\* **Dr. Abhiraj Shivdas**

### **Abstract**

*The integration of real estate investment trusts (REITs) into financial plans has gained significant attention in recent years. REITs provide investors with an opportunity to invest in income-generating real estate assets without having to directly own the properties. They offer attractive yields, diversification benefits, and the potential for capital appreciation. As a result, they are becoming practice, as an investment option for financial planning and wealth management.*

*Incorporating REITs into financial plans provides a number of benefits for investors. Firstly, REITs can provide a stable source of income, as they are required by law to distribute a minimum of 90% of their taxable income to shareholders. Secondly, REITs can provide diversification benefits, as they can help to reduce the volatility of an overall portfolio. This can be particularly useful for risk-averse investors, as it can help to reduce the overall risk of the portfolio.*

*Financial planners must consider a range of factors when integrating REITs into their clients' portfolios. These include an evaluation of the current market conditions, the risk-reward trade-off, the volatility of the REITs, and the tax implications of investing in REITs. Planners must also consider the specific goals and objectives of each individual client, such as retirement planning, income generation, or wealth preservation.*

*There are also potential risks associated with investing in REITs like, the value of REITs can be affected by changes in interest rates, economic conditions, and fluctuations in real estate market values. As a result, financial planners must consider these risks when integrating REITs into their clients' portfolios, and must ensure that the investment aligns with their clients' risk tolerance and investment goals, and as a means of generating income and diversifying portfolios, it is thus important for financial planners to carefully consider the benefits and risks of REITs, and to ensure that the investment aligns with their clients' goals and objectives to build a well-diversified portfolio with a range of investment options.*

**Keywords:** REITs, Investors, Financial Planners, Retirement Planning, Wealth Preservation, Income Generation, Investment Goals

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\* Dr. Abhiraj Shivdas, Assistant Professor,  
Alkesh Dinesh Mody Institute for Financial and Management Studies,  
University of Mumbai, Joravar Bhavan, Vidya Nagari, Campus, Mumbai 400098.  
Email: abhiraj.shivdas@admi.mu.ac.in

### INTRODUCTION

Real estate investment trusts (REITs) have become a popular addition to many financial portfolios due to their ability to offer a steady income stream, diversification benefits, and long-term growth potential. REITs are companies that own, operate, or finance income-generating real estate properties, such as apartments, hotels, office buildings, and retail spaces. They allow individual investors to invest in a portfolio of properties, similar to a mutual fund, and benefit from the profits generated by these assets.

The integration of REITs into financial plans has grown in popularity due to the unique advantages they offer. For example, REITs offer the potential for high dividends, as they are required by law to distribute at least 90% of their taxable income to shareholders. This makes them an attractive choice for income-seeking investors, particularly in a low-yield environment. REITs provide exposure to real estate, which can be a valuable diversifier in a portfolio as real estate performance is often uncorrelated with the performance of other asset classes, such as stocks and bonds.

REITs also offer the opportunity for long-term capital appreciation. As the properties owned by the REITs increase in value and generate income, the value of the REITs themselves generally increases as well. This has been shown over time, as the average total return for the FTSE Nareit All REITs Index, which tracks the performance of all publicly traded REITs, has been 8.9% annually since 1972.

There are several types of REITs, each with its own focus and investment strategy. For example, some REITs specialize in a specific property type,

such as apartments or shopping centres, while others may focus on a specific geographical region. This allows investors to tailor their investment to their personal goals and preferences.

When considering the integration of REITs into a financial plan, it is important to keep in mind that, like any investment, REITs come with risks. For example, the value of a REIT can be impacted by changes in the real estate market, such as declining rental income or increasing vacancy rates. Changes in interest rates can also impact the performance of REITs, as they often have significant amounts of debt to finance their properties.

Despite these risks, many financial advisors recommend the inclusion of REITs in a diversified portfolio. REITs can serve as a complement to traditional investments, such as stocks and bonds, and offer the potential for higher returns and lower volatility. When incorporating REITs into a financial plan, it is important to consider factors such as investment goals, risk tolerance, and diversification strategy, and to seek the advice of a financial professional.

The integration of REITs into financial plans can be a valuable addition for many investors, offering the potential for high dividends, long-term capital appreciation, and diversification benefits. While there are risks involved, when combined with a well-diversified portfolio and a sound investment strategy, REITs can help achieve financial goals and provide a reliable source of income.

### LITERATURE REVIEW

REITs play an important role in institutional mixed asset investment portfolios and are the subject of academic research interest. Lee and Stevenson



(2005b) highlight the important role that REITs play in investment portfolios over various time periods and holding periods. The results also show that it exhibits return-enhancing properties towards the lower end of the efficient frontier and risk-reducing properties towards the upper end of the frontier. Fischer and Newell (2009) evaluated the role of residential/apartment REITs in REIT portfolios over the period Q1 1994 to Q4 2007. The study evaluated risk-adjusted returns for diversification benefits within portfolios composed of equities, bonds, and direct reals. The study notes that residential REITs have lower risk-adjusted returns and less diversification. Empirical results showed that his REITs, geographically clustered within the same state, exhibited similar parallel behaviour exhibited by real estate firms headquartered in the same city. (2013) found a strong long-term correlation between direct real estate and securitized real estate. However, in this study, we were unable to establish a lead-lag relationship between the two. Stelk, Zhou, and Anderson (2017) used various mixes of assets with and without REITs to examine whether the presence of REITs in portfolios increases extreme downside risk in similar portfolios. I researched your portfolio. The results show that REITs increase the extreme downside risk of portfolios during financial crises. Cho (2017) examined the role of his REIT subsectors in portfolio diversification and risk-adjusted performance over the period 2010-2015 in Japan, the results showed that hotel and industrial REITs provided superior risk-adjusted returns and had low correlations with other assets in their portfolios.

### OBJECTIVES

The objective of integrating real estate investment trusts (REITs) into financial plans is to add a new asset class to a portfolio in order to diversify

investments and potentially increase returns. REITs offer the potential for high dividends, long-term capital appreciation, and low correlation with other assets, making them a valuable addition to many financial portfolios. By incorporating REITs, investors aim to achieve a balanced mix of investments that align with their goals and risk tolerance, while also taking advantage of the unique benefits that REITs provide. The ultimate goal is to create a well-rounded and diversified portfolio that helps to achieve financial goals and provide a steady income stream.

### METHODOLOGY

The researcher has conducted a secondary study. The integration of real estate investment trusts (REITs) into financial plans has become increasingly popular in recent years, with many investors recognizing the benefits that REITs can offer. A study by the National Association of Real Estate Investment Trusts (NAREIT) found that the number of REITs has grown steadily over the past decade, with the total market capitalization reaching over \$1 trillion by 2019.

A survey conducted by the Investment Company Institute (ICI) found that REITs have become an increasingly popular investment choice among individual investors. The survey found that nearly one in ten households held REITs in their portfolios, a significant increase from previous years.

Research has also shown that the integration of REITs into financial plans can lead to higher returns and lower volatility. A study by Ibbotson Associates found that a portfolio that included REITs had a higher average annual return and lower standard deviation compared to a portfolio that did not include REITs.

The integration of REITs into financial plans is not without risks. For example, changes in the real estate market, such as declining rental income or increasing vacancy rates, can have a significant impact on the value of REITs. Additionally, REITs often have significant amounts of debt, which can make them vulnerable to changes in interest rates.

Many financial advisors recommend the inclusion of REITs in a diversified portfolio. A study by Vanguard found that a portfolio that included REITs had lower overall risk and higher returns compared to a portfolio that did not include REITs. The study also found that REITs had a low correlation with other asset classes, such as stocks and bonds, which can help to reduce the overall volatility of a portfolio.

The integration of REITs into financial plans has become increasingly popular due to the potential for high dividends, long-term capital appreciation, and diversification benefits. While there are risks involved, the integration of REITs into a well-diversified portfolio and a sound investment strategy can help to achieve financial goals and provide a reliable source of income. By considering factors such as investment goals, risk tolerance, and diversification strategy, investors can make informed decisions about the integration of REITs into their financial plans.

### DISCUSSION

The integration of real estate investment trusts (REITs) into financial plans is a topic that has garnered increasing attention in recent years. REITs are companies that own and operate income-generating real estate properties, and they offer the potential for high dividends, long-term capital appreciation, and diversification benefits. The inte-

gration of REITs into financial plans has become increasingly popular as more investors recognize the benefits that REITs can offer.

One of the key benefits of REITs is their potential for high dividends. Unlike traditional stocks, REITs are required to distribute at least 90% of their taxable income to shareholders in the form of dividends. This makes REITs an attractive investment for individuals looking to generate a steady stream of income.

REITs is potential for long-term capital appreciation. REITs offer the opportunity to invest in real estate properties, which have historically appreciated in value over time. REITs often have the ability to increase the value of their properties through renovation and redevelopment, which can result in higher returns for investors.

REITs is the diversification benefits they offer. Diversification is a key component of a well-rounded investment portfolio, and REITs can help to reduce the overall volatility of a portfolio. This is because REITs have a low correlation with other asset classes, such as stocks and bonds. This means that when one asset class is performing poorly, REITs may perform differently, helping to reduce the overall risk of the portfolio.

Despite these benefits, the integration of REITs into financial plans is not without risks. One of the key risks associated with REITs is the potential for declining rental income or increasing vacancy rates. The value of REITs is closely tied to the performance of the underlying real estate properties, and changes in the real estate market can have a significant impact on the value of REITs.

Risk associated with REITs is the significant



amounts of debt they often have. REITs often use debt to finance their operations, which can make them vulnerable to changes in interest rates. For example, if interest rates rise, the cost of borrowing for REITs may also increase, which could lead to lower profits and a decrease in the value of REITs.

Many financial advisors recommend the integration of REITs into a well-diversified portfolio. A well-diversified portfolio can help to mitigate the risks associated with REITs, and the benefits of REITs can help to achieve financial goals and provide a reliable source of income.

The inclusion of REITs into financial plans is a topic that has garnered increasing attention in recent years. REITs offer the potential for high dividends, long-term capital appreciation, and diversification benefits. While there are risks involved, the integration of REITs into a well-diversified portfolio and a sound investment strategy can help to achieve financial goals and provide a reliable source of income. By considering factors such as investment goals, risk tolerance, and diversification strategy, investors can make informed decisions about the integration of REITs into their financial plans.

### **LIMITATIONS**

The researcher has certain limitation while conducting the study on the research. There may be limited data available on REITs, particularly for smaller and less established REITs, which made it difficult to perform a thorough analysis of their financial stability and potential for growth. The results of a study on REITs will not be applicable to all geographic regions, as the real estate market and economic conditions can vary greatly from one

region to another. The results of a study on REITs influenced by personal bias or the bias of the financial advisor or institution conducting the study, which can skew the results and impact the accuracy of the findings.

### **CONCLUSION**

REITs offer a unique opportunity to invest in income-generating real estate properties and offer the potential for high dividends, long-term capital appreciation, and diversification benefits. The key to a successful integration of REITs into financial plans is to understand the potential risks and benefits and to align investments with personal investment goals and risk tolerance.

It is important for investors to perform thorough research and due diligence when considering REITs as a part of their investment portfolio. This includes evaluating the financial stability of the REIT, analyzing its past performance, and understanding the market trends and economic conditions that may impact the value of the REIT. Investors should also consider seeking the advice of a financial advisor who has experience in investing in REITs and can help to create a well-diversified portfolio that aligns with personal financial goals.

In addition to research and due diligence, it is important for investors to have a clear understanding of their personal investment goals and risk tolerance. Investors who are looking for a steady source of income may be attracted to the high dividend yields offered by REITs, while those who are looking for long-term capital appreciation may be more interested in the potential for property appreciation. The integration of REITs into financial plans is also an opportunity to diversify a portfolio and reduce the overall risk of the portfolio.

The integration of REITs into financial plans is a personal decision that will vary depending on individual investment goals and risk tolerance. By considering the potential risks and benefits and aligning investments with personal financial goals, investors can make informed decisions about the integration of REITs into their financial plans. With careful planning and a clear understanding of the market and economic conditions, REITs can offer a unique opportunity for investors to achieve their financial goals and build a strong and well-diversified investment portfolio.

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## The Role of Training and Development in Business Organizations to Include PWDs into mainstream Employment

\* Dr. Kavita Pandey<sup>1</sup> and Prof. Aruna Deshpande<sup>2</sup>

### Abstract

*Diversity and inclusion are taking on increased significance in today's workplace. People with Disability need to be trained to adapt to the working environment and on the job as they face many challenges and problems in their life on the level of attitudinal, infrastructural and at workplace. Training is a retention tactic that fosters dedication and loyalty among employees. If organisations provide employees opportunities to grow, they will be more inclined to stay in the organisations. A company's investment in training demonstrates to its employees that they are valued and nurtures a friendly work environment. Employees may feel more content with their work if they are valued and given the chance to grow through training opportunities. The Kirkpatrick Model is used for the study for training evaluation techniques which can be used for determining how effective a training programme for PwD employees.*

*This Research paper studies the impact of training on PwD employees and the organisations efforts to build inclusive workplaces for their PwD employees, by using case study method, as hiring people with disabilities can be good for a company's bottom line.*

**Keywords:** People with Disability, Training, Employability, Retention.

### INTRODUCTION

People with Disability face many challenges and problems in their life on the level of attitudinal, infrastructural and at workplace. According to WHO (2019) study, it is estimated that around 15 million world population are people with disabilities still their contribution in labour force is minimal. Though, they have proved their merit and abilities

to perform exceptionally well in the organization where they have been recruited and employed. Many companies like Mindtree, Shopper Stop, Mphasis, Capgemini, TCS, Infosys, Axis Bank, IDFC Bank, Volvo etc. agreed that they are more productive than non-disabled. Therefore, PwDs can be employed along with the right opportunities and reasonable support.

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<sup>1</sup> Dr. Kavita Pandey - Placement Officer

<sup>2</sup> Prof. Aruna Deshpande

Alkesh Dinesh Mody Institute for Financial and Management Studies,  
University of Mumbai, Joravar Bhavan, Vidya Nagari, Campus, Mumbai 400098.  
Email: kavita@admi.mu.ac.in; aruna@admi.mu.ac.in

Training is a retention tactic that fosters dedication and loyalty among employees. If organizations provide employees opportunities to grow, they will be more inclined to stay in the organizations. A company's investment in training demonstrates to its employees that they are valued and nurtures a friendly work environment. Employees may feel more content with their work if they are valued and given the chance to grow through training opportunities.

The Kirkpatrick Model is the most popular training evaluation techniques which can be used for determining how effective a training programme for PwD employees. The Kirkpatrick Model was created to help managers come up with effective and organized ways to determine the results for the business and its employees. Due to its straightforward implementation and successful results, it became a widely adopted structure. It has four stages to measure effectiveness. The four level of evaluation are: Reaction, Learning, Impact and Results. The following is a description of these four levels:

**1. Reaction:**

It examines how the employees are participating. It establishes the degree of satisfaction of the training course. What role have they played? How have they reacted to it? What did the participant think of the instruction? These inquiries will aid in the analysis of this level.

**2. Learning:**

The information, skills, and values that the learners acquire as a result of the programme are determined at this level. The learners' perceived ability to carry out the expected shift is assessed by their learning level. All performance motivation and confidence are gauged at this level. The primary objective of this level is to

determine whether the learners genuinely grasped the curriculum and gained skills from it.

**3. Impact:**

This level assesses how much the training has changed the learner's behaviour and how much they have used what they have learned in the workplace. It is the extent to which participants implement what they have learnt in class when they return to their jobs. It entails a procedure to get participants' quantitative and qualitative feedback after they've finished the training programme, perhaps weeks or months later. It also needs promise from all stakeholders like, training provider, training admin and learners, to ensure understanding and that the data imparted during training is high quality.

**4. Outcomes:**

Results level analysis looks at the practical outcomes that can be related to the training programme and help establish a good return on investment. The level 4 approach, which requires the greatest time and money, evaluates the entire outcomes from every viewpoint. The most significant and crucial factor is to search for a result that is directly related to the training and will function well throughout time. This benchmark is intended to quantify the Return on Investment (ROI) that the training programme has on the organisation (ROI).

Diversity and inclusion are taking on increased significance in today's workplace. To establish a friendly and inclusive workplace for everyone as inclusive workforce becomes more diverse. Educating people about disabilities is one approach to create inclusiveness. The four level of evaluation of the Kirkpatrick Evaluation model can help orga-

nizations to evaluate the Reaction, Learning, Impact and Results of PwD employees. Training will also help employees to work together aligning the process with all types of employees mutually adjusting with each other while working on the jobs.

Infrastructural development and reasonable accommodation can be a problem, but a better approach is to start with essentials, hire PwDs and work with them to quickly facilitate the implementation of appropriate support systems. This also helps to

avoid falling prey to a common size fits all approach towards disability inclusion.

## **CATEGORIES OF PWD'S**

According to the census of 2011, there are around 2.21% of India's population are people with disabilities. As per RPWD Act 2016, they have been categorized in 8 categories and mentioned 21 types which are as follows:-

<b>Locomotor disability</b>	<b>Visual Disability</b>	<b>Hearing disability</b>	<b>Speech and language disability</b>	<b>Mental retardation/ intellectual disabilities</b>	<b>Mental illness</b>	<b>Other disabilities</b>	<b>Multiple Disabilities</b>
i) acid attack victims ii) leprosy cured person iii) polio iv) cerebral palsy v) dwarfism vi) muscular dystrophy vii) other locomotor disability	(viii) Blindness (ix) low vision	(x) hearing disability	xi) speech and language disability (a) chronic neurological conditions	(xii) specific learning disabilities (xiii) autism spectrum disorder (xiv) other mental retardation/ intellectual disability	(xv) mental illness	a) Neurologic al conditions (xvi) Parkinson's disease, (xvii) multiple sclerosis, (xviii) Other neurological conditions (b) blood disorder (xix) thalassemia (xx) hemophilia (xxi) sickle cell disease	(xxii) more than one of the above specified disabilities including deaf blindness

## **RESEARCH METHODOLOGY**

This Research paper studies the impact of training on PwD employees and the organizations efforts to build inclusive workplaces for their PwD employees, by using case study method.

### **Work related concerns for PwD employment:**

According to **Bonnacio Silvia and et. Al. (2019)**, despite legislation on RPWD, they face work related concerns and challenges. They still do not experience the same access to work opportunities as do their counterparts without disabilities. Many

employers have been shown to harbor sincere yet ill-founded views about the work- related abilities of people with disabilities; these negative views are often a result of interrelated concerns that permeate the entire employment cycle. Author has raised 11 concerns that employers have about people with disabilities, from pre-employment and entry experiences to the final dissolution of the employment relationship. The employment cycle consists of recruitment, selection, social integration, and performance management.

**THE ROLE OF TRAINING AND DEVELOPMENT IN BUSINESS ORGANIZATIONS TO INCLUDE PWDS INTO MAINSTREAM EMPLOYMENT**

These concerns are as follows:-

Sr.No.	Title	Myth	Research revealed
1.	The Number of Qualified People with Disabilities	Past research has found that managers' report that they Barely see workers with disabilities in their applicant pools.	Managers may underestimate the number of people with disabilities in applicant pools. Many government organizations and community organizations have developed resources to counteract the lack of awareness that managers (and co- workers) display toward workerswith disabilities.
2.	The Recruitment of Qualified Applicants with Disabilities	Managers consistently report that they find it difficult to attract qualified applicants with disabilities	The reason because PwD face discrimination, poor accessibility features and managers own intention towards hiring PwDs.
3.	The Attractiveness of Job Openings to People with Disabilities	Applicants do not want challenging careers or assignments. they are perceived to not want to work at all	The National Organization of Disability report stated that, over 60% of working-age people with disabilities in the US not currently employed would prefer to be employed. what attracts an employee to an organization is a matter of personal preferences and perceived fit
4.	The Qualifications of Applicants with Disabilities	The managers sometimes believe that people with disabilities can't do the basic functions of the jobs they apply for. The very nature of how workers with disabilities are labelled emphasizes a lack of ability, which is in contrast to the nature of the role that all workers are expected to fulfil in organizations	For many jobs, individuals with and without disabilities would likely present similar applicant profiles in terms of education; yet, these applicant groups fare differently. Employers concerned about qualifications may wish to proactively partner with local community colleges, vocational institutes, or universities, many of which offer partnership opportunities with, and assistance for employers.
5.	The Selection Process for Applicants with Disabilities	PwDs complicate the selection process. As managers are not trained enough to deal with them, they have a fear to be sued out or taken wrongly while dealing with them.	It is important for managers to be trained and customize selection process according to the job suitability and PwD type.
6.	The Cost of Accommodations	Managers believe that hiring PwD would add cost in terms of building infrastructure, necessary changes in the system and redesigning the process.	This is actually not correct. Managers with some basic reasonable changes such as ramp facilities, elevators, signaling radar system, fixing accessible language in the system would not only make it more inclusive but also recognize the companies and increase their brand value.



**THE ROLE OF TRAINING AND DEVELOPMENT IN BUSINESS ORGANIZATIONS TO INCLUDE PWDS INTO MAINSTREAM EMPLOYMENT**

<b>Sr.No.</b>	<b>Title</b>	<b>Myth</b>	<b>Research revealed</b>
7.	The Impact of Workers with Disabilities on Coworkers	PwDs will be disruptive to team, not mixing with team would work on their morale, perceive the work as being unfairly redistributed if jobs are changed following accommodations.	By training and development for managers and employees about working with people with disabilities this problem is being taken care.
8.	The Organizational Integration of Workers with Disabilities	PwD complain for discrimination, being excluded and not given much attention.	The organization through proper integration process may bring them into other colleagues.
9.	The Job Performance of Workers with Disabilities	Employees with disabilities are presumed to be less productive than employees without disabilities. workers with disabilities are perceived as weak, need assistance, need more supervision, need too much training.	Many businesses organization with the support of intervention group of training agencies find them more employable and productive.
10.	The Occupational Health and Safety Behaviors of Workers with Disabilities	Workers with disabilities introduce the potential for safety problems and higher accident rates	Workers with disabilities have equal—if not better— safety awareness and records than those without disabilities and that their safety awareness positively influences other organizational members.
11.	Disciplinary Action and Termination of Workers with Disabilities	Managers worried about legal consequences for mishandling this process.	Managers may give regular timely feedback. Employers should also be proactive in terms of understanding the legal context such as by visiting websites that provide information on employment laws in their jurisdiction and, more importantly, completing training courses either in person or online demonstrate goodwill and ensure that managers are aware of the practices.

## Why company need to employ PwDs?

### Case Study: Accenture: Enabling Change for Persons with Disabilities

Accenture's new global research found that the companies that fully include employees with disabilities grow faster than their peers. Yet, employees with disabilities around the world expressed that they often felt excluded and unsupported. It is important to change the workplace culture. More than 60% of leaders believe their companies are supportive, but only 20% of employees with a disability felt the organization is fully committed to this support. Ms. Seema Arora from CII expressed that though India has come a long way and accepted the inclusion of PwDs in society and workplace while amending legislation and social policy, the challenges are still ahead in terms of their acceptance. PwDs are large, untapped source of talent. According to World Disability report (2019) it is stated that about about 15% of the world's population – but very few are in employment; for example, just 6.5% in China, 25% in India and 31% in the US.

### Accenture: Getting to Equal 2020: Disability Inclusion case study:-

Meenakshi (Meena) Das remembers what it was like to grow up with a severe stutter. Teachers silenced her throughout much of her education; in high school, she was excluded from the debating society because she took too long to speak.

In college, however, the organization Disability: IN helped Meena secure a rewarding internship at a large telecommunications company. Subsequently, she interned with Microsoft. Now she is earning a master's degree at Auburn University in Alabama;

after graduation, she will re-join Microsoft as a software engineer. Meena is delighted to be returning to Microsoft, in part because she is keenly aware of its purposefully inclusive culture. Citing just one example from her days as an intern, she says: "My manager and mentor both made it really clear to everyone that I would be using the chat function on Teams meetings, so they should pay attention to the chat stream." Their actions enabled Meena to contribute easily to her team—and enabled the team to benefit from her input.

According to report, there are eight Workplace factors that unlock inclusivity in the organization which are as follows:-

- 01 Clear role models
- 02 Employee resource groups
- 03 Parental leave
- 04 Fair and transparent pay
- 05 Training
- 06 Flexible working options
- 07 Freedom to innovate
- 08 Mental well-being policies

The report further identified the comparative feedback of employees and PwDs employees in various organizations and found out that even if companies have hired persons with disabilities, many aren't nurturing their talents or helping them reach their potential; while persons with disabilities are even more aspirational than their peers, they are 1.6x (60%) more likely to feel excluded in the workplace; majority of employees (76%) and leaders (80%) with a disability are not fully transparent about it; PwDs remain quiet and their bosses too; While 67% of leadership believes their technological set-ups and cultures are supportive, just 41% of employees with disabilities agree. And only 20% of employees with a disability felt the organization is fully committed to supporting them. It is also



found that that as organizations are not willing to support them silently, they secretly resign and organizations do not utilize their potential fully.

The report further suggested to build a culture of equality in workplace. This culture of equality denotes.

**Bold leadership** - A diverse leadership team that sets, shares and measures equality goals openly;

**Comprehensive action Policies and practices** that

are family friendly, support all genders and are bias-free in attracting and retaining people;

**Empowering environment** One where employees are trusted, that respects individuals and offers the freedom to be creative and to train and work flexibly.

Accenture in their survey of 6000 employees in 28 countries agreed companies led by executives who are focused on disability engagement are growing sales (2.9x) and profits (4.1x) faster than their peers.

**Inclusive Workplaces: Lessons from Theory and Practice – Vohra Neharika et.al. (2015)**

#### **Values/Knowledge/Skills Necessary for Creating Inclusion**

Values	Knowledge	Skills
Humility	Self-awareness	Active listening
Acceptance of differences	Building healthy coalitions	Empathy
Openness to new ideas	Awareness of relevant laws	Self-monitoring
Flexibility	Macro viewpoint	Appropriate communication
		Tact
		Ability to Relate
		Persuasion

#### **Case Study: Wipro Limited**

Wipro Ltd. is a global information technology, consulting, and outsourcing company with over 1.5 lakh employees serving clients in 175 + cities across six continents. It is globally recognized for its innovative approach towards delivering business value and its commitment to sustainability. Today the company is a trusted partner of choice for global businesses looking to 'differentiate at the front' and 'standardize at the core' through technology interventions.

Wipro's inclusive policies for PwDs: - At Wipro, people with disabilities (PwDs) have been placed in mainstream positions. Wipro selects all its employees based only on merit and it believes that persons with disability could aspire for any of these positions. In the last four years, the number of employees who have disclosed their disabilities has reached over 440. The different types of job roles offered to PwD employees in the organization is as follows:-

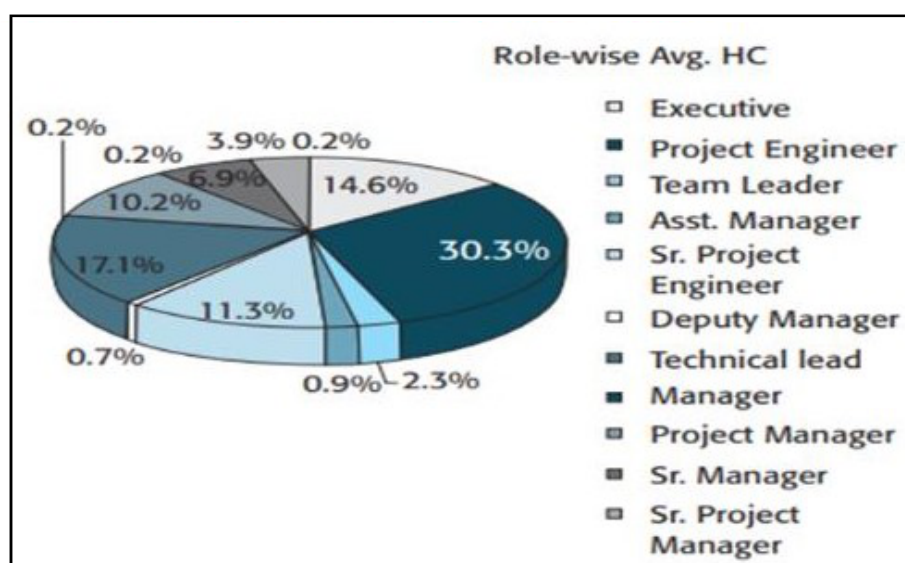


Figure 1: Share of Different Roles for PwDs

**Methods of hiring PwDs** - Wipro is a member of the Confederation of Indian Industry (CII), the National Association of Software and Services Companies (NASSCOM), and International Labour Organization (ILO). With CII and NGOs, such as Sarthak, Ability Foundation, and Enable India, it has run job fairs to help differently abled people with a platform to find job opportunities besides organizing inclusive campus hiring with JSS, Dr Ambedkar Institute of Technology for Handicapped (AITH), and National Institute of Speech and Hearing (NISH). Company has established relationships with colleges where there are students with disabilities, and encourage them to participate.

**How do they train Employees to be more sensitive:-** Company has interviewer certification programme which prepare interviewers to be inclusive. The recruiter while interviewing candidates get the information related with disability and require reasonable accommodation to be built for PwDs. This reasonable accommodation basically talks about the accessibility issues. The battery-

operated vehicles to travel within the campus, playing ground with safety equipment are built as well.

**For Barrier Free Communication** – The Wipro Kinesics website has been developed to enhance communication between hearing and hearing disabled employees. The tool has complete communication package which display Wipro terminologies, detailed dictionary, conversation and sign language basics. There is a community of “Winclusive” of employees with disabilities that discussed applicants’ applicability, help request of new employees, enable them to become quickly productive. the team review the employment policies of organization from time to time and recommend the necessary changes to be done. The social media platform of Wipro ‘Yammer’ connects people and share global updates in the disability sector. Learning signlanguage is must of managers and leaders. All the necessary rights day, and celebration day are observed. The company has also designed engagement calendar and keep on focusing doing multiple works such as panel discussions, rewards and

recognition, sensitization and awareness programme etc.

**Barrier Free Infrastructure** – Wipro does interesting contest i.e., “Breaking all Barriers”, an annual contest through employees review company’s physical infrastructure (accessibility within buildings, accessible restrooms, railings, ramps, signages, etc.). the physical infrastructure is readjusted according to the need. Company also developed an exclusive policy on accessibility on the intranet portal and helps individual to suggest the changes required. Wipro designed the building according to the National Building Code 2016, a design manual for a barrier free environment.

**Accessible Information Systems** – Wipro being an IT company has set over 100 software applications that are used by over 1,00,000 employees daily. These applications address a variety of requirements of PwDs in the organization related with company’s policy such as HR, travel, leave, cash, career etc. the information system create this and maintained by over 500 employees. Every software before deployment is validated under WCAG-2.0 guidelines (Web Content Accessibility Guidelines) with a focus on visual and moto disabilities. After deployed, the file is tested by the community group. In case, there is some changes to done, then it is redeployed according to the guidelines. The company also focuses to make every software engineer to be aware of persons with disabilities and trained them in person through webinars or proper training programme to make software accessible. The engineer also has to clear the assessment test. A certified engineer starts working to bring the changes in technologies. The certification on accessibility programme helped them to rechange their outlook. Wipro also has a full-time diversity consultant from Diversity and Equal Opportunity Centre (DEOC)

who keep them abreast of the changes in the environment, statutory obligations, and taking the inclusivity initiative for employees with disabilities to the next level.

**Case Study:** Ms. Maitri, alumnus of University of Mumbai did her computer engineering from K.J. Somaiya College. During her pre-placement process, she has been rejected by several companies stating with a reason for being differently-abled. In spite of being the excellent in her academics, she has not been considered for the interview process and straightforwardly rejected by company. Heart-broken and resilient Maitri did not give up and encouraged her to start something her own. Through Mind assets established in 2017 introduced ‘Merit Based Inclusivity’, a tech startup which focuses on providing online digital job opportunities to people with disabilities so that physical infrastructure is not a barrier to starting a career, it aims to connect organizations to candidates, with potential, and help them to navigate challenges to get the best job opportunities.

Maitri was diagnosed with Muscular dystrophy when she was 6 months old. With her own grit and determination, Maitri is not only an example to be seen as role model who are bringing many changes in people’s lives with disabilities but also answer to the question whether PwD be employed.

## CONCLUSIONS

While contemplating recruiting workers with disabilities, a few businesses have reservations connected with the expenses of required work facilities. These concerns are to a great extent unwarranted. Research Organization studies that most of working environment facilities are less costly and available facilities by and large brought about

advantages to the organization, like decreased protection and preparing costs and expanded efficiency and spirit.

Selecting and employing qualified individuals with disabilities need to be checked, as per their needs and capabilities to work with. This will help organizations to improve their People with disabilities by solving problems and tend to bring a strong sense of loyalty to the workplace, leading to improve company morale and culture. And People with disabilities tend to seek stable and reliable work when searching for jobs, and therefore are more likely to have higher retention rates. This is yet another reason why hiring people with disabilities can be good for a company's bottom line. However, it is imperative to understand that most of these can be tackled with diversity and inclusion training and sensitization about the needs and capabilities of people with disabilities provided, as per the intent to be inclusive.

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## Re-imagining Employee Engagement in the V.U.C.A. World

\* Hiral Gala<sup>1</sup> and Dr. Sarika Jain<sup>2</sup>

### Abstract

*The business world today is rapidly evolving and a highly unpredictable landscape. Companies today are operating in a Volatile, Uncertain, Complex and Ambiguous world, also known as the VUCA environment which perfectly describes the changes happening in the global corporate world. It is impacting ranging everything from decision making to investments and profits to employee experience. HR professionals have to develop intellectual business acumen to understand about market dynamics and create their practices accordingly. They continuously need to reinvent such practices in order to meet the demands of the new generation. They cannot adopt “one size fits all” approach and thus, needs to understand the generational differences. The established companies also, have to remain concerned about the sustainability of their employer brand. This is because of the emergence of start-ups, which are adopting innovative steps to enhance their employee engagement and experience. It is the overall employee experience in the organization which affects productivity which in turn affects revenues and profits. This paper tries to explore the employee experience framework and some unique practices followed by leading companies to enhance their employees’ experience in this VUCA world.*

**Keywords:** VUCA, Employee experience, Employee engagement, Employee relations, HR practices

### INTRODUCTION

With shifts in the employee–organization relationship in workplaces (Coyle-Shapiro & Shore, 2007), an impressive advancement of interest in the concept of employee engagement has been observed. Over the last decade, it has been seen that Employee Experience has moved from an HR agenda to the core of the entire business strategy.

Hence, organizations today are investing time and effort to design and deliver a signature experience to their workforce. With the war on talent growing, employee experience has become a key differentiator in attracting top talent.

What has apparently led to employee experience becoming the core to people agenda for organizations today? The evolution of multi-generational

<sup>1</sup> Ms Hiral Gala

Consultant - Business Consulting Org - Infosys Email: hiralb1990@gmail.com

<sup>2</sup> Dr. Sarika Jain

Professor and Assistant Dean Academics, DSIMS

Email: sarika.jain@dsims.org.in

workforce with growing representation of the “Millennials” in the workplace is forcing organizations to re-define the ‘what’ and ‘how’ of an organization’s value proposition. It is estimated that by 2020’s, nearly 50% of the global workforce will be millennials.

Organizations are becoming lean and agile to navigate in the Volatile, Uncertain, Complex, Ambiguous (VUCA) environment they operate in today and using new disruptive technologies emerging to transform the nature of work and ways of working. To contend with the changes of work, workplace and workforce, organizations therefore are being forced to rethink, reset and realign their people agenda with the goal to deliver a distinctive experience for the employee.

Today’s organizations are no longer defined by fixed workplaces, nine-to-five working hours or by a set of homogenous employees. Organizations are becoming boundary-less and often, location agnostic. Operational and business models are being turned on their heads with the advent of enterprises like Uber, Airbnb, Etsy and Amazon. These complexities will continue to exponentially increase as we enter a hyper-digital era with Artificial Intelligence (AI), Robotics, 3D printing, Wearables, and much more looming over the horizon. Going ahead, organizations of the future will function as platforms connecting diverse, distributed, and multi-talented individuals who will come together to create value. Currently, many organizations are caught up in trying to deploy different systems of engagement like social intranets, blogs, enterprise collaboration platforms, etc. to enhance the overall employee experience. However, these are very often disconnected from the core HR systems where organizational information and data reside. This leads to incongruence and an inability to connect

the loops in the value chain. This is also where most of the digital and collaboration initiatives flounder. HR can play a crucial role in bridging the two systems – not only through technology but also by re-imagining the processes, the organizational design, and other initiatives like community management, empowering employees with digital skills for them to navigate this new world with ease, and enabling and creating a culture of collaboration and sharing thereby enriching employee experience.

This paper highlights how leaders are handling the situations in the VUCA world and what are organisations doing in context of preparing the new generation of people managers who are not only apt to lead the VUCA world but also help navigate excellently in this environment. The innovative HR practices in employee experience and engagement formulated in various organisations forms the base of this paper. VUCA world will require new leadership skill and innovation management in the future. And this theme has been dealt in detail in this paper. The cases of leading organisations are taken from various sectors to showcase how the HR of these organisations is taking the new lead in this direction.

## LITERATURE REVIEW

### Employee Engagement

According to Smythe (2007), “employee engagement is first and foremost a management philosophy based on the idea of including the right people in right places at the right time in right way” (pg.11).

Further Gallup (2018), focuses on employee experience, as an important constituent for employee engagement. This includes everything from pre-hire to post-exit interactions and everything in between. The study further suggests that employee experience



is the sum of all interactions an employee has with the employer. What truly makes great companies is their ability to attract and retain right people, who are excited by what they are doing and the environment in which they are operating (Attridge, 2009). Eventually it shapes the health of the organization.

Bhatnagar (2012) defines engagement as a positive experience, characterised by high energy, resilience, a willingness to invest effort on the job, the ability to not easily be fatigued and persistence in the face

of difficulties. People not only choose organisations but also choose jobs, become engaged with their work on the basis of how well their preferences and aspirations mesh with those of the organisation.

### Engagement within the Employee Life Cycle

Out of all the interactions an employee has with their employer, Gallup identifies seven critical stages that have the most influence on an employee's perceptions of your organization.



Source: GALLUP

The majority of an employee's time with an organization will be spent in three stages:

- Engage
- Perform
- Develop

Engagement describes the basic psychological needs that must be met in order to perform your work well. This includes things like knowing what's expected of you and having the materials you need. It also includes emotional and social needs, like doing work that you are good at and connecting your work with a higher purpose.

In Gallup's framework, engagement comes before performance because it is foundational to consistent

excellence. Even a highly talented but disengaged worker may outperform his or her peers, but they will never truly reach their full potential until they feel supported at work.

### Role of Engagement in Influencing the Employee Experience

Employees' level of engagement — their mind set and behaviour when they come to work each day has a major impact on what they think about your company. That may sound simple, but the truth is that many employees today do not have their basic psychological needs met.

Clearly, highly engaged organizations have a competitive advantage when they can get signi-

ificantly more out of their workers.

### **Beyond Engagement**

Modern employee-employer relationships are complicated. Leaders have to think about everything from culture to well-being to purpose and meaning — and make it all come to life in a personalized way for employees, both in person and through digital channels.

Naturally, employee engagement alone is not enough to address all these aspects of the workplace however it also shouldn't be overlooked.

### **VUCA**

The term VUCA was devised in the United States Military Academy at West Point. It originated as a crisp way of defining the new situation that the US military found itself after the end of Cold War. This transformed landscape would bring with it a lack of certainty, stability and simplicity, and increase ambiguity. It is now everyone's imperative to recognize VUCA, because it touches everyone. (Full, Decision, Can, Your, Reach & Harm, n.d.)

The dynamics of the business world is being influenced by the rapid innovation, advanced technology, liberalization and globalization. Many organizations and managers are struggling to stay afloat and aligned in the VUCA nature of today's global business environment (Kinsinger) [1].

**Volatility:** The speed and rate of change we are facing in our business environment demands quicker decision making. The test for leaders is to transfer from knee – jerk to proactive yet fast response to the fluctuating environment. (“The implications of a VUCA World and APA,” n.d.)

**Uncertainty:** Uncertainty is all around us and is growing. In these times it is extremely difficult to have clarity on the present and precisely foretell future outcomes. Organization's capability to be at ease with it and form behaviours that allow it to navigate through uncertainty is fundamental. (“The implications of a VUCA World and APA,” n.d.)

**Complexity:** With uncertain and changing times comes more complexity. Companies have to consider multiple and interconnected factors in their decision making. Organizations need to let go of seeking the one perfect solution and seek out collaboration and connect the dots of opportunity. (“The implications of a VUCA World and APA,” n.d.)

**Ambiguity:** The effect of complex and ever changing environment leads to a good amount of ambiguity making it hard to understand the meaning and impact of events. Leaders should be able to think across different platforms, communicate effectively across organisations and be quick and responsive in decision making. (“The implications of a VUCA World and APA,” n.d.)

### **EMPLOYEE ENGAGEMENT AND VUCA**

The VUCA world is facing an employee engagement crisis, with grave and lasting repercussions on world economy. According to Gallup Daily tracking, worldwide, only 13% of employees working for an organization are engaged. (A. Mann & J. Harter., 2016)

### **RESEARCH METHODOLOGY**

The present study uses secondary data with reference to employee engagement. Specific examples from industry where innovative HR practices in designing employee experience have been used as



a tool to counter the VUCA burst. The data was primarily collected from the official websites of these companies and articles published on these practices and from popular news sites. An attempt has been made to cover diverse industries so as to develop generalized framework for industry as a whole.

The next section presents the different case studies of companies that have successfully implemented innovative employee experience strategies to counter the VUCA threat and thereby see reaping benefits on engagement, team performance and customer satisfaction. We have also captured these cases in terms of key engagement policy, the approach and its associated outcome.

### **Case 1: CISCO Global HR Breakathon**

**Background:** When one thinks of HR solutions, the list spans traditional functions, such as compliance training, career development, risk management, and performance management. This is exactly what Fran Katsoudas and her HR team wanted to change. They re-imagined HR solutions for 71,000 global Cisco employees. Cisco actually closed HR for 24 hours and announced to the employees they were using the time to engage the HR team and key stake-holders to create innovative HR solutions to deliver a memorable employee experience.

**Approach:** Over a period of 24 hours, Cisco HR employees joined with colleagues in the services and engineering organizations to come together virtually using a mix of Cisco collaboration technologies including WebEx, TelePresence, a dedicated Spark room, and a custom built Tracking App showing all the team activity in a leaderboard.

**Outcomes:** The Cisco Global Breakathon gave birth

to 105 new HR solutions covering talent acquisition, new hire on-boarding, learning and development, team development, and leadership. Judging was a careful process and the winning ideas were recognized in several categories and addressed problems in new hire onboarding, recruitment and career development.

### **Case 2: DBS Bank**

**Background:** Experimentation, entrepreneurship, and innovation are the three pillars that DBS bank stands on when it comes to workforce engagement and transformation. With a focus on creating a workplace where employees can be the best, be the change, and be the difference, the bank's priority is to cultivate a digital mindset in its employees by empowering its employees with the avant-garde skills and tools to stay ahead of the curve, and create a differentiated experience for its customers.

**Approach:** DBS challenges employees to create solutions, helps them innovate, and provide them with a start-up environment that enables self-learning. DBS is one of the first banks to adopt human-centered approach to understand customer and employee journeys. A key initiative that the bank has introduced is the incorporation of hackathons to drive their staff's talent development programs where the bank exposes its employees to agile methodologies and other digital concepts to get practical insights and create innovative solutions. DBS has built a culture for employees to embrace innovation and it reflects in the way the employees' think and work.

**Outcomes:** DBS' efforts on fostering a culture that is truly digital and customer-centric, is already showing results – whether it was the launch of India's first mobile-only or the first-of-its-kind

connected banking platform for SMEs or becoming the first bank in India to offer paperless on-boarding for mutual funds. With people at the centre of its digital transformation, DBS is well on its way to reimagine banking so that customers Live More and Bank Less.

### Case 3: Zappos

**Background:** Zappos has an unusual onboarding process that lasts five weeks.

**Approach:** The program, same for all hires irrespective of their job title, strongly emphasizes valuing the company culture, building a strong team; and growing together as teams. When the process ends, the new hires are offered \$2,000 to leave if they don't feel fit for the job. Only about 1% of new hires chose to receive the money.

**Outcome:** The Company has been able to maintain a relatively flat organizational structure and prides itself on its extreme transparency. Zappos managed to move from 23rd place on Fortune magazine's "100 Best Companies to Work For" list in 2009 to 15th place in 2010.

### Case 4: Telstra

**Background:** New employees joined, tried to learn about all the product and service plans, became intimidated, and then quit. Almost two-thirds left within the first 60 days.

**Approach:** Rather than inject "training" into employees, it studied the job of a retail sales agent over the first nine months and developed a "journey map" showing what people need to know the first day, the first week, the first month, and then over the first few quarters. They developed a new "90-

Day" onboarding experience for all employees as well as an individualized executive induction program.

**Outcome:** Productivity rose, employees became more committed and engaged, and new hires became more quickly integrated into the organization.

### Case 5: Jet.com (Walmart Subsidiary)

**Background:** The problem, as defined by the Talent team at Jet.com (Walmart subsidiary), was to improve the candidate experience and to match aspiring candidates with job openings at the company. Forbes reports that 85% of applicants don't hear back after submitting an application—while 71% of employers claim that they can't find a candidate with the right skill set.

**Approach:** So, the Talent Experience team at Jet.com set out to bring together a diverse team of HR, software designers, product designers, software developers, aspiring students, and key Jet.com business leaders to create a solution for improving the job candidate experience. The Talent team at Jet.com believed that if the company designed an easy way to match an applicant with the right set of key words in a job description, that this could short cut the hiring process and improve the overall candidate experience

**Solution:** A solution, named Casy, leverages machine learning to match a job description with key words in an applicant's resume. Plus, Casy works for not only Jet.com applicants but for anyone looking for a job.

The Jet.com HR Hackathon developed by the Talent Experience team solves a particular problem in the

candidate experience process by involving both HR and product and software designers. It's this expanded scope of the HR hackathon that has the potential to impact the ability of HR to prepare for digital disruption in the candidate and employee experience.

### Case 6: Southwest Airlines

**Background:** Approximately two years ago, Southwest Airlines unveiled a new logo (a heart colored by blue, red and orange stripes). Now, the airline is ready to unveil a bold, bright new uniform design. However, instead of hiring an outside company for the job, it tapped employees like Nabors.

**Approach:** When executives realized it was time to refurbish the out-dated uniforms; they put out an open call to employees from all departments. Anyone interested in contributing thoughts and suggestions for the airline's new uniform was welcome to apply. Thousands expressed interest, and the company eventually chose 43 employees. Outcome: Over the course of 19 months, the 43 employees met every two weeks in Chicago and Dallas to collaborate on the new uniform's design. The new uniforms are also machine washable—a rarity when it comes to airline attire. Those who participated in the undertaking, such as Joan Mast, a Southwest flight attendant of 36 years, called it an “unforgettable experience.” Incorporating employees into the creative decision-making process allows for a more authentic brand. According to Sonya Lacore, vice president of cabin services for Southwest, the new uniforms truly reflect the personality of the company's employees. The airline might not have achieved the same result if an outside firm designed the uniforms.

### Case 7: Starbucks

Starbucks maintains a phenomenal employee engagement strategy that keeps their turnover rate at an impressive 20% of the industry average.

#### Unique Approaches:

- They took input from team managers across the country and developed strategies from issues only seen in the day to day life of Starbucks. By doing so, they also engaged their employees by showing they care, and that they are willing to change for them.
- Starbucks treats interviews as a two way street; both the interviewer and the interviewee are seeing if this decision will benefit them. On both Glassdoor and Starbucks's website, there is an emphasis on personality and being true to who you are in the interview.
- If you work for Starbucks in any capacity you are called a “Partner” rather than an employee.
- They understand who their employees are and offer benefits for the applicable demographics. For instance, a large number of Starbucks workers are current students or are paying off loans, so they now offer tuition reimbursement as a company benefit to match their worker's needs.

### Case 8: GE Healthcare

**Background:** They understand who their employees are and offer benefits for the applicable demographics. For instance, a large number of Starbucks workers are current students or are paying off loans, so they now offer tuition reimbursement as a company benefit to match their worker's needs.

**Approach:** In 2015, GE announced that it was replacing this approach with frequent feedback and regular conversations called ‘touch-points’ to review progress against agreed near-term goals. This is supported by an online and mobile app, similar to our own Clear Review performance management tool, which enables employees to capture progress against their goals, give their peers feedback and also request feedback.

**Outcome:** the most important element of the new system is continuous conversation, not the mobile app. Feedback conversations are constructed to be positive, and annual salary decisions are much less linked to performance with the new system.

### Case 9: Adobe

**Background:** In 2011, Adobe’s managers were spending an average of 17 hours per employee completing annual performance reviews. They abandoned annual performance appraisals back in 2012.

**Approach:** New system was replaced with regular check-ins, supported by frequent feedback – both positive and constructive. There are no performance ratings or rankings and they allow different parts of the organisation to determine how frequently they should hold check-in conversations, according to their work cycles.

**Outcome:** The result has been a marked increase in employee engagement, with voluntary turnover decreasing by 30% since check-ins were introduced.

### Case 10: Keeping Alumni Engaged

Company	Number of Alumni	Engagement Strategies
<b>Boston Consulting Group (BCG)</b>	20,000	Offers its alumni virtual training, access to BCG experts, a quarterly newsletter, a dedicated website, LinkedIn and Facebook networking groups, and regular one-on-one interviews. The company uses social media networks to promote special events such as a recent Facebook Live chat featuring a current employee and alum.
<b>Deloitte</b>	300,000 globally	Provides alums with a range of networking opportunities, publishes a newsletter, offers training sessions on resume writing and digital interviewing, and shares profiles of successful alumni.
<b>Microsoft</b>	36,000 in 50 countries	Allows former staffers to shop at the company store in Redmond, Wash., and receive discounts at Microsoft retail stores and from the company’s partners and alumni-owned businesses.
<b>Oliver Wyman</b>	11,000	Hosts more than 70 alumni events a year, ranging from happy hours to conferences to a charity auction. Each office has an alumni partner who helps plan activities.
<b>Sodexo</b>	9,000	Has a branded alumni network called Reconnexions, which is centralized under the company’s talent acquisition division. Within 30 days of leaving, an employee receives an e-mail invitation asking him or her to join the network. A careers microsite is accessible to alums who want to track career opportunities, and former employees who have returned to the company are featured in its publications.

## FINDINGS AND RECOMMENDATIONS

The outcomes attained across organizations used in our research closely adhere to the model developed by Gallup w.r.t. employee experience and engagement.



Source: GALLUP

However, it is imperative for organizations to focus on improving the employee experience in each phase of their journey from hiring till they exit and post exit as well. They need to recognize that employee experience is the new battleground for competitive advantage.

### Winning in the VUCA World

Putting the four dimensions of growth together is the key to unlocking not just how business can win in a VUCA world, but also to rediscovering employee experience strategies. Below are some new age principles to help HR practitioners transform the employee experience strategies by unlocking the human dimension and uncover a sense of meaning and shared values that drive motivation, well-being and growth in this VUCA environment.

#### 1. Co-create and re-invent

Apply customer centricity techniques to reinvent the employee experience. Engage with employees

to co-create most relevant and valuable experiences. Take a holistic view of various physical, technological and cultural dimensions and encourage collaborative decision making. Pilot new experiences with small numbers and assess the impact on employee productivity.

#### 2. Identify Pockets of Value

Consider the business outcomes such as improved workforce retention, productivity or satisfaction that needs to be achieved. Then prioritize the workforces based on the likelihood that an improved employee experience would drive more value to the business.

#### 3. Empathy

Attain deeper understanding and empathy of the employee journey. This helps uncover profound insights and newer perspectives to design employee experience and engagement strategies.

#### 4. Create a culture of real-time feedback.

Employees want real, authentic coaching from

managers and executives so they know what they're doing well. Having a system for real-time recognition gives your management the insights they need for that coaching.

### **5. Connect to your brand and corporate values.**

Invest in experiences that match your company's mission and values. Communicate your corporate objectives clearly. Help employees know every day how they can move the company forward.

### **6. Transparency and simplicity**

When you design an Employee Experience, keep as much as you can in one place, platform, or program so it's easy for employees to engage with it. Ensure transparency and clarity of information, communicating why employees matter and the specific behaviors that exemplify those values throughout the organization.

## **CONCLUSION**

Employee engagement has the potential to redefine the optimal employee–organization relationship. Engagement is about empowering people in everyday working instants. Additionally it is desired to incorporate engagement concepts into the workflow, even as businesses change and adopt new initiatives. When new initiatives are desired, managers may need to reset employee expectations, provide workers with new resources and ensure employees have opportunities to do what they do best. By investing in the employee experience, companies can reap the benefits of highly engaged employees: better retention rates, higher productivity, better metrics on safety and attendance, a better customer experience, and just more enthusiasm at work. The VUCA world is not going to disappear. As technology develops faster and the world becomes more and more a global market place,

there is no place to hide. Change is relentless and the landscape in which we work is constantly shifting. Indeed one of the major lessons of the VUCA world is that leaders need to engage all employees at all levels to gain their trust and contribution in dealing with the great range of challenges that VUCA poses. VUCA becomes an opportunity for development and greater collaboration, rather than a risk to be mitigated.

“In the struggle for survival, the fittest win out at the expense of their rivals because they succeed in adapting themselves best to their environment” - Charles Darwin.

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## Managing Employee Stress in Global Business Scenario

\* Prof. Aruna Deshpande<sup>1</sup> and Dr. Abhijeet Rawal<sup>2</sup>

### Abstract

*Maturity of Information Technology have made organisations close and connected globally, and as a result conscious of employee performance. Work environment have become challenging Stress can affect any one, a worker or a manager, young or old. And almost any job condition can create stress depending upon an employee's perception. Stress can lead to erratic behavior and a lowering of performance and turnover. Prolonged exposure to stressful situation produces physical, psychological & behavioral effects on an individual and their work performance. Stress-related illnesses and deaths show that stress imposes problems on individual health and well-being as well as affects organizational productivity. Therefore, it is very important that organization makes tangible efforts to prevent or reduce job stress for individual employees. Human Resource departments thus design organizational coping strategies by focusing attention on each specific job stressor. In addition, more generalized strategies can include the following; Emotional climate control; providing a climate of esteem and regard to employees and by allowing them to participate in all decision making involving change in their work environment. Organisations use various techniques to help employees to overcome stress and the HR policy of the company is designed in terms of what employees want and not what the company wants.*

**Keywords:** Employee performance, Stress, Job stressors, Work environment.

### INTRODUCTION

Global business environment is becoming more complex and is witnessing radical changes in terms of intensity and pace which are distinguished by uncertainty and volatility due to technical connectivity. The need of the hour is to bring changes in thinking, practices and behaviour. Success will

depend on how well businesses can analyze problems, identify ways to attend them and implement suitable solutions. This approach can lead to exploration of new opportunities for growth. Change is the only constant which is inevitable intoday's business scenario for growth and sustainability and businesses are expected to make a well-timed transition towards a sustainable society.

<sup>1</sup> Prof. Mrs. Aruna Deshpande

Alkesh Dinesh Mody Institute for Financial and Management Studies, University of Mumbai, Joravar Bhavan, Vidya Nagari Campus, Mumbai 400098. Email: aruna@admi.mu.ac.in

<sup>2</sup> Dr. Abhijeet Rawal

B K Birla College of Arts, Science, and Commerce (Autonomous), Kalyan, Dist. Thane



Stress is a universal feeling to everyone due to demanding and volatile business demands, but the word stress means different things to different people. Some people define stress as events or situations that cause them to feel tension, pressure or negative emotions such as anxiety or anger. Other people may view stress as a process involving a person's interpretation and response to a threatening event. In any case, stress has many facets of how one perceives and responds to the certain predicament that is ailing them. Stress is defined as an unpleasant state of emotional and physiological arousal that people experience in situations that they perceive as dangerous or threatening to their well being.

Stress may not always be a bad thing. It can stimulate creativity and productivity. The natural pattern of human behavior is to experience a stress-causing event or situation, react to it with increased tension and then return to a normal, relaxed state. The problem occurs when stress is so overwhelming or constant that this pattern is broken. Stress is linked to the six leading causes of death- heart disease, cancer, lung ailments, accidents, cirrhosis of the liver, and suicide. The early warning signs of stress include apathy, anxiety, irritability, mental fatigue, and overcompensation or denial.

Employees whether in their business lives or personal lives, are under stress to produce, abide by rules and to exist compatibly on the job and with others. It is expected of us to interact with co-workers, supervisors, friends and relatives. We are to do this without causing hardship to ourselves or others. Each day brings new, stressful situations we must deal with in our business lives and our personal lives.

Stress is not confined to upper management and

the people that make the major decisions. Stress is found at all levels of life. The anxiety of stress shows in our lives as a negative situation. What we need to do is teach ourselves how to stay positive about job and personal life situations. We need to learn philosophies in critical situations to prevent burn-out, depression, and anger. As managers, it is very important to identify the warning signs of stress.

Conscious employers provide a stress-free work environment, recognize where stress is becoming a problem for staff, and take action to reduce stress. Stress in the workplace reduces productivity, increases management pressures, and makes people ill in many ways, evidence of which is still increasing. Workplace stress affects the performance of the brain, including functions of work performance; memory, concentration, and learning.

In a difficult economy, it is harder than ever to cope with challenges on the job. Both the stress we take with us when we go to work and the stress that awaits us on the job are on the rise – and employers, managers, and workers all feel the added pressure. While some stress is a normal part of life, excessive stress interferes with your productivity and reduces your physical and emotional health, so it's important to find ways to keep it under control.

A work stress management questionnaire is one way of finding out if a person is experiencing stress or is prone to stress due to work and certain working conditions. But it's not solely done for the welfare of an employee. It's also a helpful way to determine problem areas with regards to the workplace, employers, and peers so that significant actions or changes would be undertaken if needed. My project aims at finding the stress levels of the employees.

## RESEARCH OBJECTIVE

- To study the factors stress in Business.
- To find if any particular training is imparted to employees for coping with stress.
- To find ways in which the employees handle stress.

## Research Methodology

The study is done through secondary research and qualitatively analyzed based on studies done on Stress management in global organizations. The data was collected from internet research journals and published research work on stress management in business organizations across sectors.

## Review of Literature

In the workplace, stress can affect performance. Individuals under too little stress may not make enough effort to perform at their best levels, while those under too much stress often are unable to concentrate or perform effectively and efficiently. The relationship between stress and performance is complex. Employers, however, have primarily been concerned about the rising costs of over-stressed employees. The Occupational Safety and Health Act of 1970 and many state laws hold employers liable for “all diseases arising out of and in the course of employment” (“Analysis of,” 1985, p. 3). This means that employers are often held liable for stress-related illnesses of their employees.

Most estimates place stress-related costs to companies between \$100 and \$300 billion per year (“Economy creates,” 1992; Stewart, 1990; Wang et al., 1987). These costs include absenteeism, accidents, health care expenses, and lower productivity. For example, it has been estimated that approximately 75% to 90% of all visits to primary care

physicians are job related along with more than half of the 555 million work days lost annually to absenteeism. One study reported that typically 16 days per year are lost due to emotionally exhausted or depressed employees (Stewart, 1990). Also, 60% to 80% of accidents are estimated to be due to employee stress (Rosch, 1994). In addition, there are the costs of poor decisions made under excess stress, of fewer innovative ideas, and of replacing debilitated employees (Fisher, 1992).

Stress can result in physical, psychological, and behavioral responses. Stress has been implicated as contributing to a variety of physical disorders that include heart disease, high blood pressure, strokes, migraine headaches, cancer, gastrointestinal disorders. (e.g., heartburn, ulcers) (Murray & Schoenborn, 1987) along with asthma, diabetes, and multiple sclerosis (Fleming & Baum, 1986). One study reported that a company spent \$3,400 annually for one employee with anxiety headaches, which included the loss of productivity, doctor visits, and negative effects on coworkers (Manning & Curtis, 1988). Psychological disorders are not always readily identifiable, but symptoms include anxiety, depression, job dissatisfaction, maladaptive behavioral patterns, chemical dependencies, and alcohol abuse (Sauter, Murphy, & Hurrell, 1990). Psychological disorders have been recognized as one of the 10 leading work-related diseases in the country today by The National Institute for Occupational Safety and Health (NIOSH) (Millar, 1990). Finally, behavioral responses include the coping behaviors exhibited in dealing with stressful events (Newton, 1989).

Employers cannot ignore the stress of their employees, and it is in management’s own self-interest to find ways to reduce it. However, stress is subjective, and people react to it in different

ways (Szilagyi & Wallace, 1990). Some adapt while others tolerate it or try always to avoid it. Some go to pieces at the first sign of stress while others seem to thrive on it. Much of a person's reaction depends on the situation and their skills in prevention and reduction (Cavanagh, 1988; Smeltzer, 1987).

According to Clarke (1988), middle managers have the highest stress level simply because they are in the middle, which can cause a great deal of conflict. A survey conducted by the American Management Association indicated that 41% of middle management has more work than time (Fisher, 1992). Hall and Savery (1986) add that middle managers must respond to sometimes conflicting demands from governmental agencies, union representatives, and the community, in addition to their supervisors and subordinates. They further found that middle managers under 30 years of age felt more stress than older managers because of confusion over lines of authority. In addition, younger middle managers are often more stressed because they have less autonomy and closer supervision. In recent years, middle managers were subjected to stress from the recession of the eighties and subsequently from the increased use of participatory management and computer systems leading to many lay-offs. Lay-offs cause stress not only for those losing their jobs but also for those remaining (Murray & Forbes, 1986).

Stress can have either a positive or negative source. However, the body cannot distinguish between them (Cavanagh, 1988). Whether stress is primarily positive or negative depends on how individuals perceive and respond to it (Castleman, 1991). For example, success on the job can carry a great deal of stress. Braham (1988) calls this the "success syndrome" and states that it affects one of five

managers. He says possible symptoms include apathy, irritability, uninvolved in projects, decline in productivity, marital problems, and excessive drinking or smoking. Other causes of workplace stress include: schedules and deadlines, fear of failure, inadequate support, problems with the boss, job ambiguity, role conflict, change, new technology, work overload or underload, repetitive work, excess rules and regulations, lack of participation in decisions, poor interpersonal relationships, career development factors (obsolescence, under/over promotion, organizational structure, organizational leadership, culture, and poor working conditions that include the climate, overcrowding, politics, and communication problems (Brod, 1984; Glowinkowski & Cooper, 1986; Manning & Curtis, 1988; Perrewe & Vickory, 1988; Robbins, 1993). In addition, employees often have difficulty balancing work and family life and taking on more responsibility with less support (Weber, 1991).

There are many stress effects. For example, overload has been found to result in increases in blood pressure, peptic ulcers, anxiety, insomnia, loss of appetite, irritability and depression (Manning & Curtis, 1988; Perrewe & Vickory, 1988). Role conflict and role ambiguity have been linked with lower job satisfaction and higher job-related tension (Glowinkowski & Cooper, 1986). Perrewe & Vickory (1988) categorize stress effects into five areas: subjective (anxiety, fatigue), behavioral (alcoholism, restlessness), cognitive (forgetfulness, inability to make decisions), physiological (high blood pressure, breathing problems), and organizational (job dissatisfaction, absenteeism).

An extreme case of stress is known as burnout, a condition that occurs over time and it is characterized by emotional exhaustion and negative attitudes that include boredom, discontent, cynicism,

inadequacy, and failure (Kreitner & Kinicki, 1992). Burnout usually occurs when a person experiences physical, psychological, or spiritual fatigue and can no longer cope (Manning & Curtis, 1988).

The literature identifies a variety of organization-based methods available to combat job stress. Task redesign, flexible work schedules, participative management, increased employee autonomy, employee fitness programs, and assigning work within employees' capabilities are work-related techniques (Manning & Curtis, 1988; Perrewe & Vickory, 1988). In addition, training that helps managers become better bosses (e.g., those who take time to help employees, show appreciation for employees' work, provide feedback) can also alleviate stress. Companies have even been using humor seminars to help relieve job stress ("Lightening up," 1991). If stress training programs are designed and implemented properly, they can reduce illness and absenteeism and improve productivity (Quick, Bhagat, Dalton & Quick, 1987). In addition, Quick et al. (1987) identify other reasons for organizational stress-reduction programs: to improve human relations and morale, lower health care costs, and improve the company's image with the community. However, some experts point out that a lot of money may also be wasted on stress-reducing programs that don't work. For example, some organizations have been lured into phony stress management programs such as trampoline therapy and acupressure (Wang et al., 1987).

## FINDINGS

### Causes of Stress

There are several causes of stress. Majorly they can be divided in to 3 categories: Causes of stress at Home, At Work, Other causes. For example, you

are under stress when you are worried about something, worried about your children, worried about the illness of your father, worried about your job security, or worried about your loans or similar things.

### Causes of Stress at Personal Level are:

- Death of spouse, family, near relative or friend.
- Injury or illness of any family member.
- Marriage of self or son or daughter or brother or sister.
- Separation or divorce from partner.
- Pregnancy or birth of a new baby.
- Children's behavior or disobedience.
- Children's educational performance.
- Hyperactive children.
- Sexual molestation.
- Argument or heated conversations with spouse, family members or friends or neighbors.
- Not sufficient money to meet out daily expenses or unexpected expenditure.
- Not sufficient money to raise your standard of living.
- Loss of money in burglary, pick-pocketed or share market.
- Moving house.
- Change of place or change of city or change of country.
- Over expectations of family members.

### Causes of Stress at Work are:

- To meet out the demands of the job.
- Your relationship with colleagues.
- To control staff under you.
- To train your staff and get work done from them.
- Support you receive from your boss, colleagues and juniors.
- Excessive work pressure.
- To meet out deadlines.

- To give new and better results.
- To produce new publications if you are in research area.
- Working overtime and on holidays.
- New work hours.
- Promotion or you have not been promoted or your junior has superseded you.
- Argument or heated conversations with co-workers or boss.
- Change of job.
- Work against will.
- Harassment.
- Sexual molestation.
- Uncomfortable work area.

#### **Other Causes of Stress**

- Fear, intermittent or continuous.
- Threats: physical threats, social threats, financial threat, other threats.
- Uncertainty.
- Lack of sleep.
- Somebody misunderstands you.
- Setback to your position in society.

#### **Other General factors responsible for stress are:**

- **The General Economic Climate**

Many employees have family members and/or friends who have lost their jobs, lost their homes or seen reduced revenues in their businesses. Those working may be afraid of losing their job, spending valuable energy worrying instead of being productive. As companies are forced to trim down, there is more work for everyone and less money to go around. For single parents or families with only one working adult, the pressure and worry increases.

- **World-Wide Disasters**

Massive catastrophes add to the general stress felt by the population. Concern about friends, relatives

and about “what if...” a disaster happens increases general stress, even if no disaster strikes. Our media constantly exposes us to the gory details of every negative event in the world, often to the point of total overload.

- **Workplace Diversity**

As our employee population continues to reflect changing ethnic patterns, pressures to deal with different cultural styles and communication patterns increases stress. Many companies must institute multiple language training programs and re-train their managers to be sensitive to many different cultures, while the existing work continues to grow. A concern about “offending” the many segments of the population creates great frustration (and occasional anger) from those who feel their space is being invaded by “outsiders.” On the other side, “minority” populations feel discriminated against and may be defensive in their attitudes in the workplace. This is a growing challenge for all managers.

- **Changing Male/Female Dynamics**

Women entering the workforce contribute to the challenge of male/female communication. Women competing with men try to take on “male” attributes, which is often confusing to them and confusing to the men around them. Men try to understand the new roles they’re expected to play, yet may not really understand what is being asked of them.

Men and women have differing work motivations often creating confusion and conflict in communications. Men are cultured to be “in control” and active, yet workplace changes are forcing them to deal with situations that seem to be out of their control. Little of their training has prepared them for this event. Men may need to ask for help, yet resist feeling this is a sign of failure. Women tend



to ask for help more readily, yet men see them as weak when they do. Is it any wonder we have communication problems?

- **Dealing With Great Change**

Many people feel the world (as they knew it) has ended. The trauma of change and the attendant changes it forces on each of us, contributes to the level of pressure felt on each individual. We must do things differently, react differently and feel differently in order to survive in the new world. Fear of the unknown and fear of change touch into our basic sense of security and sense of self — our most vital human needs.

### **The High Cost of Stress**

In U.S.A, stress at work also provides a serious risk of litigation for all employers and organizations, carrying significant liabilities for damages, bad publicity and loss of reputation. Dealing with stress-related claims also consumes vast amounts of management time. So, there are clearly strong economic and financial reasons for organizations to manage and reduce stress at work, aside from the obvious humanitarian and ethical considerations.

Stress overload not only causes health problems, it affects our budgets as well as our mind. Stress claims are becoming the single most costly claim in the workers' compensation system abroad. Stress in the workplace can be reduced by understanding why stress exists and working on the negative stress factors. Stress impairs immune systems functioning, lowering the body's resistance to disease and reducing a person's ability to be fully functional on the job.

A survey of medical tests estimate that as much as 50-80% of all disease is stress-related in origin.

Doctors Holmes and Rahe, pioneering researchers in the field of stress, proved conclusively that the greater the number of life-change events people experienced in a two-year period, the more frequently they became physically ill. With health care costs skyrocketing, the financial impact of stress-induced illness and lowered work productivity are major drains on the economy, as well as on our personal pocketbooks.

The price of stress in the workplace in the form of lowered productivity, excessive absenteeism, increased insurance costs, and premature loss of key people is staggering. Executives alone cost American industry more than \$10 billion annually through lost workdays, hospitalization and early death caused by stress.

UK HSE statistics suggest stress-related costs to UK employers in the region of £700m every year. The cost of stress to society is estimated at £7bn pa. (These figures were respectively £350m and £3.7bn in 1995/6 when total days lost were half present levels.)

### **JOB STRESS**

One type of stress is job stress. Job stress is when the stressors involved are work related. "NIOSH" the National Institute for Occupational Safety and Health states, job stress is the harmful physical and emotional responses that occur when the requirements of the job do not match the capabilities, resources, or needs of the worker.

There are many things in life that cause stress and working a job is just one of them. Although it is one kind of stress it is a major factor in people's everyday life. The first thing that can cause is overwork. This includes working late, taking work

home, and not taking vacation time.

Occupational stress or work stress is now recognized as a prevailing form of stress in the modern world, experienced across different nations, cultures, and societies. As the world becomes increasingly globalized, and societies become more sophisticated, people become more competitive as more work is demanded from them to keep up with developments and changes.

The concept of job stress is often confused with challenge, but these concepts are not the same. Challenge energizes us psychologically and physically, and it motivates us to learn new skills and master our jobs. When a challenge is met, we feel relaxed and satisfied. Thus, challenge is an important ingredient for healthy and productive work. The importance of challenge in our work lives is probably what people are referring to when they say “a little bit of stress is good for you”.

### What Workers Say About Stress on the Job

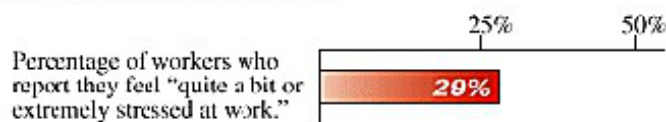
#### Survey by Northwestern National Life



#### Survey by the Families and Work Institute



#### Survey by Yale University



Source: [www.athealth.com](http://www.athealth.com)

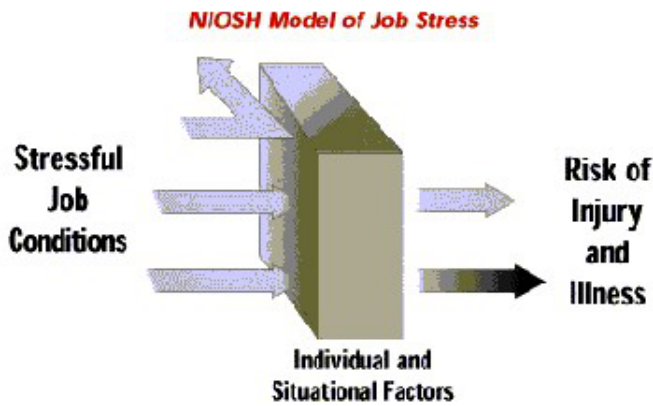
### NIOSH Approach to Job Stress

On the basis of experience and research, NIOSH (National Institute for Occupational Safety and Health) favors the view that working conditions play a primary role in causing job stress. However, the role of individual factors is not ignored. According to the NIOSH view, exposure to stressful working conditions (called job stressors) can have a direct influence on worker safety and health. But as shown below, individual and other situational factors can intervene to strengthen or weaken this

influence. Theresa’s need to care for her ill mother is an increasingly common example of an individual or situational factor that may intensify the effects of stressful working conditions. Examples of individual and situational factors that can help to reduce the effects of stressful working conditions include the following:

- Balance between work and family or personal life.
- A support network of friends and coworkers.
- A relaxed and positive outlook.





Source: NIOSH Website

### Job Conditions That May Lead to Stress:

- **The Design of Tasks.** Heavy workload, infrequent rest breaks, long works hours and shift work; hectic and routine tasks that have little inherent meaning, do not utilize workers' skills, and provide little sense of control.  
*Example:* David works to the point of exhaustion. Theresa is tied to the computer, allowing little room for flexibility, self-initiative, or rest.
- **Management Style.** Lack of participation by workers in decision- making, poor communication in the organization, lack of family-friendly policies.  
*Example:* Jaya needs to get the boss's approval for everything, and the company is insensitive to her family needs.
- **Interpersonal Relationships.** Poor social environment and lack of support or help from coworkers and supervisors.  
*Example:* Jaya's physical isolation reduces her opportunities to interact with other workers or receive help from them.
- **Work Roles.** Conflicting or uncertain job expectations, too much responsibility, too many

"hats to wear."

*Example:* Jaya is often caught in a difficult situation trying to satisfy both the customer's needs and the company's expectations.

- **Career Concerns.** Job insecurity and lack of opportunity for growth, advancement, or promotion; rapid changes for which workers are unprepared.  
*Example:* Since the reorganization at David's plant, everyone is worried about their future with the company and what will happen next.

- **Environmental Conditions.** Unpleasant or dangerous physical conditions such as crowding, noise, air pollution, or ergonomic problems.

### Job Stress and Health: What the Research Tells Us:

- **Cardiovascular Disease**  
Many studies suggest that psychologically demanding jobs that allow employees little control over the work process increase the risk of cardiovascular disease.
- **Musculoskeletal Disorders**  
On the basis of research by NIOSH and many other organizations, it is widely believed that job stress increases the risk for development of back and upper- extremity musculoskeletal disorders.
- **Psychological Disorders**  
Several studies suggest that differences in rates of mental health problems (such as depression and burnout) for various occupations are due partly to differences in job stress levels. (Economic and lifestyle differences between occu-

pations may also contribute to some of these problems.)

- **Workplace Injury**

Although more study is needed, there is a growing concern that stressful working conditions interfere with safe work practices and set the stage for injuries at work.

- **Suicide, Cancer, Ulcers, and Impaired Immune Function**

Some studies suggest a relationship between stressful working conditions and these health problems. However, more research is needed before firm conclusions can be drawn.

*Source: Encyclopedia of Occupational Safety and Health*

### **Stress, Health, and Productivity**

Some employers assume that stressful working conditions are a necessary evil—that companies must turn up the pressure on workers and set aside health concerns to remain productive and profitable in today's economy. But research findings challenge this belief. Studies show that stressful working conditions are actually associated with increased absenteeism, tardiness, and intentions by workers to quit their jobs—all of which has a negative effect on the bottom line.

Recent studies of so-called healthy organizations suggest that policies benefiting worker health also benefit the bottom line. A healthy organization is defined as one that has low rates of illness, injury, and disability in its workforce and is also competitive in the marketplace. NIOSH research has identified organizational characteristics associated with both healthy, low-stress work and high levels of productivity. Examples of these characteristics include the following:

- Recognition of employees for good work performance
- Opportunities for career development
- An organizational culture that values the individual worker
- Management actions that are consistent with organizational values

### **Ways of dealing with Job Stress**

The examples of Theresa and David illustrate two different approaches for dealing with stress at work.

- ❖ **Stress Management.** Theresa's company is providing stress management training and an employee assistance program (EAP) to improve the ability of workers to cope with difficult work situations. Nearly one-half of large companies in the United States provide some type of stress management training for their workforces. Stress management programs teach workers about the nature and sources of stress, the effects of stress on health, and personal skills to reduce stress—for example, time management or relaxation exercises. (EAPs provide individual counseling for employees with both work and personal problems.) Stress management training may rapidly reduce stress symptoms such as anxiety and sleep disturbances; it also has the advantage of being inexpensive and easy to implement.

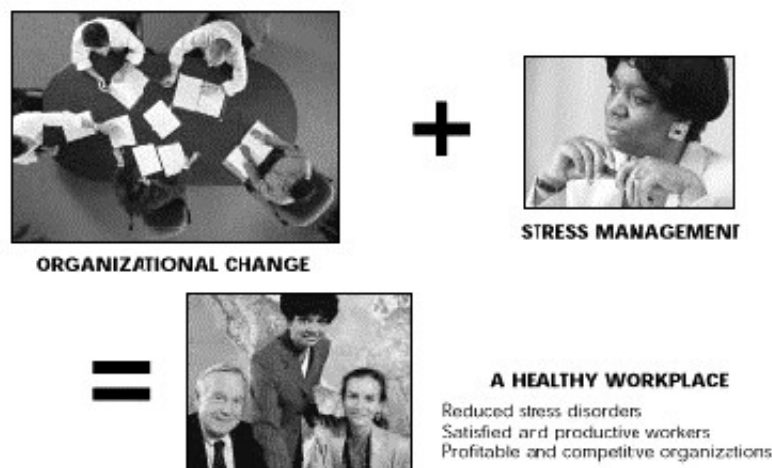
However, stress management programs have two major disadvantages:

- The beneficial effects on stress symptoms are often short-lived.
- They often ignore important root causes of stress because they focus on the worker and not the environment.

❖ **Organizational Change.** In contrast to stress management training and EAP programs, David's company is trying to reduce job stress by bringing in a consultant to recommend ways to improve working conditions. This approach is the most direct way to reduce stress at work. It involves the identification of stressful aspects of work (e.g., excessive workload, conflicting

expectations) and the design of strategies to reduce or eliminate the identified stressors. The advantage of this approach is that it deals directly with the root causes of stress at work. However, managers are sometimes uncomfortable with this approach because it can involve changes in work routines or production schedules, or changes in the organizational structure.

*As a general rule, actions to reduce job stress should give top priority to organizational change to improve working conditions. But even the most conscientious efforts to improve working conditions are unlikely to eliminate stress completely for all workers. For this reason, a combination of organizational change and stress management is often the most useful approach for preventing stress at work.*



## Stress Prevention Programs: What Some Organizations Have Done

### Case 1 - A Small Service Organization

A department head in a small public service organization sensed an escalating level of tension and deteriorating morale among her staff. Job dissatisfaction and health symptoms such as headaches also seemed to be on the rise. Suspecting that stress was a developing problem in the department, she decided to hold a series of all-hands meetings with employees in the different work units of the

department to explore this concern further. These meetings could be best described as brainstorming sessions where individual employees freely expressed their views about the scope and sources of stress in their units and the measures that might be implemented to bring the problem under control. Using the information collected in these meetings and in meetings with middle managers, she concluded that a serious problem probably existed and that quick action was needed. Because she was relatively unfamiliar with the job stress field, she decided to seek help from a faculty member at a local university who taught courses on job stress

and organizational behavior.

After reviewing the information collected at the brainstorming sessions, they decided it would be useful for the faculty member to conduct informal classes to raise awareness about job stress-its causes, effects, and prevention-for all workers and managers in the department. It was also decided that a survey would be useful to obtain a more reliable picture of problematic job conditions and stress-related health complaints in the department. The faculty member used information from the meetings with workers and managers to design the survey. The faculty member was also involved in the distribution and collection of the anonymous survey to ensure that workers felt free to respond honestly and openly about what was bothering them. He then helped the department head analyze and interpret the data.

Analysis of the survey data suggested that three types of job conditions were linked to stress complaints among workers:

- Unrealistic deadlines
- Low levels of support from supervisors
- Lack of worker involvement in decision-making.

Having pinpointed these problems, the department head developed and prioritized a list of corrective measures for implementation. Examples of these actions included:

- (1) Greater participation of employees in work scheduling to reduce unrealistic deadlines and
- (2) More frequent meetings between workers and managers to keep supervisors and workers updated on developing problems.

### ***Case 2 - A Large Manufacturing Company***

Although no widespread signs of stress were evident at work, the corporate medical director of a large manufacturing company thought it would be useful to establish a stress prevention program as a proactive measure. As a first step he discussed this concept with senior management and with union leaders. Together, they decided to organize a labor-management team to develop the program. The team comprised representatives from labor, the medical/employee assistance department, the human resources department, and an outside human resources consulting firm. The consulting firm provided technical advice about program design, implementation, and evaluation. Financial resources for the team and program came from senior management, who made it clear that they supported this activity. The team designed a two-part program. One part focused on management practices and working conditions that could lead to stress. The second part focused on individual health and well-being.

To begin the part of the program dealing with management practices and job conditions, the team worked with the consulting firm to add new questions about job stress to the company's existing employee opinion survey. The survey data were used by the team to identify stressful working conditions and to suggest changes at the work group and/or organizational level. The employee health and well-being part of the program consisted of 12 weekly training sessions. During these sessions, workers and managers learned about common sources and effects of stress at work, and about self-protection strategies such as relaxation methods and improved health behaviors. The training sessions were offered during both work and non-work hours. The team followed up with quarterly surveys of working conditions and stress symptoms

to closely monitor the effectiveness of this two-part program.

## CONCLUSION AND RECOMMENDATIONS

Stress is a universal experience in the life of every company, every executive, manager, and individual employee. It is a naturally occurring experience that may have beneficial or destructive consequences. The destructive consequences of a stressful experience are not inevitable. They only result from ineffective management of stress and stressful events. The destructive consequences of stress may be avoided through the appropriate training of employees on stress and techniques for stress prevention.

Training can give the employee general knowledge about the causes of stress, its consequences and the stress management methods, or it can be oriented to the particular method such as yoga, meditation, breathing and relaxation technique and others. It also include the stress inoculation training that was developed by Meichenbaum (1977). The stress inoculation training focuses on altering the way individual processes information about a stressful situation and identifies cognitive and behavioural coping skills to change unproductive ways of reacting (Ivanchevich and Matteson, 1993). It includes three stages:

- (1) Preparation.
- (2) Skill training.
- (3) Application training.

This approach can help employees deal with a wide variety of stress reactions including anger, anxiety and fear.

Employees get stress when they feel that they are not making progress in their jobs/ career. This can

be attributed to peer pressure, social circle, financial problems, and comparison with other professionals in various companies at similar position. Through the survey it is seen that a majority employees do get upset at not making the progress in the way they want it. The organization must provide for proper career development. A perfectly designed and well managed performance appraisal system can prove to be an effective tool of employee motivation. Hence the process must be modified suitably. Half-yearly performance appraisal can serve as a strong tool in achieving employee satisfaction and lower stress.

Employees are facing physical strain due to long working hours, less or no exercise, sitting for long hours, working on the computer, bad ergonomics at workplace, tiresome commuting to office etc. This leads to high level of stress and it can be avoided by proper exercise and interventions.

From the survey it is seen that the employees have to work against their judgment which leads to frustration and stress. The management must take feedback from employees as well as their opinion must be considered at times so that employee contribution towards improving the processes will increase. Regular meetings must be held so that the employees can voice their opinions and concerns.

The organization must encourage employees to remain healthy and fit. If possible, gymnasium facility should be provided to them. A good cafeteria area must be there so that employees can take regular breaks which reduce the stress levels.

On interacting with some employees it was clear that the overall climate in the organization is good. The management is co-operative to the employees.

In order to reduce the attrition rate as well as to ensure motivation of the employees, the organization must design its reward system well.

Counseling should be given to employees who experience high on-job stress. The organization should hire with proper manpower planning. The work hours of employees should not be extended unreasonably. The workload should be balanced. Employees should be given credit and employee recognition should be followed. Employee feedback should be taken.

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## A Study of the Growth and Potential of Green Bond Markets and their Impact on Sustainable Development

\* Dr. Abhiraj Shivdas

### Abstract

*Green bonds have arisen as a promising financial instrument for advancing economic improvement by empowering investors to help ecological and environment related projects. The green bond market grown significantly in recent years, with issuances arriving at record levels. The development of the market has been driven by a scope of variables, including expanding request from investors, favourable regulatory frameworks, and the development of green bond standards and certification schemes. It is likewise concentrated on that the green bond issuances decidedly affect manageable improvement by advancing interests in renewable energy, energy efficiency, green buildings, and other sustainable projects.*

*The study identifies some challenges and limitations of the green bond market, including the absence of harmonization of green bond standards, the potential for greenwashing, and the limited availability of suitable green projects, giving proposals to policymakers, investors, and issuers work together to address these challenges and to further promote the growth and potential of the green bond market for sustainable development.*

*This study aims to analyze the growth and potential of the green bond market and its impact on sustainable development. The study uses a mixed-methods approach, including a systematic review of the literature on green bonds, a quantitative analysis of the growth of the green bond market, and a qualitative analysis of case studies of green bond issuances.*

**Keywords:** *Green bonds, Sustainable development, Renewable energy, Energy efficiency, Green buildings, Climate change.*

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\* Dr. Abhiraj Shivdas, Assistant Professor,  
Alkesh Dinesh Mody Institute for Financial and Management Studies,  
University of Mumbai, Joravar Bhavan, Vidya Nagari, Campus, Mumbai 400098.  
Email: abhiraj.shivdas@admi.mu.ac.in



## INTRODUCTION

A change in the climate and environment are the most pressing global challenges of current period. The adverse effects of climate change, are rising sea levels, extreme weather events, and food insecurity, are affecting vulnerable communities and ecosystems worldwide. Due to spread of awareness of the challenges, there has been a continuous calls for urgent plan of action to address them. One of the most effective ways of addressing these challenges is by financing green projects that reduce carbon emissions, conserve natural resources, and promote sustainable development.

Green bonds have emerged as one of the most promising financial instrument for advancing environmental and sustainable development goals. These bonds are issued to finance projects which are having a positive impact on the environment or those projects contribute towards sustainable development. The green bond market has grown significantly in recent years. According to the Climate Bonds Initiative, the global green bond market grew by 49% in 2020, reaching a total issuance of USD 269.5 billion.

Various factors are responsible towards the growth of the green bond market. In the recent years and also with the needs from the investors for the green environment there has been a rise in the demand for the green bond. Investors are giving more importance to environmental and social factors in their investment decision-making, and green bonds offer a way to align their investments with their values. There has been a favourable regulatory environment which has encouraged the growth of the green bond market. Governments have introduced policies and regulations that promote sustainable finance and incentivize green investments. Thirdly,

the development of green bond standards and certification schemes has provided a framework for issuers to verify the environmental credentials of their projects, increasing transparency and credibility in the market.

The green bond issuances for the sustainable development cannot be overstated. Green bonds finance projects helps to reduce carbon emissions, it improves energy efficiency, promote renewable energy, and conserve natural resources. These projects have a positive impact on the environment which contributes towards sustainable development by generating jobs, improving health of citizens, and to reduce poverty in the country.

Even with the growth and potential of the green bond market, there are certain challenges and limitations that needs to be addressed. One of the main challenges is the lack of harmonization of green bond standards. Different certificate issuing bodies have different schemes which have different definitions of what constitutes a green project, leading to confusion and inconsistency in the market. Due to lack of harmonisation, the investors find it difficult to get access to the environment impact of green bond issuances. At the same time is it observed that there is a risk of greenwashing, where the issuers are overstating the benefits towards environment due to the said projects, which leads to misallocation of the capital from the investors. There has been a limited availability of green projects which can constrain the growth of the green bond market.

## LITERATURE REVIEW

- Bhutta, U. S., Tariq, A., Farrukh, M., Raza, A., & Iqbal, M. K. (2022). Green bonds for sustainable development: Review of literature on

development and impact of green bonds. The study shows that financing is an important factor which supports any sustainable development, but there are certain challenges faced to gather finances for environment-friendly projects. Green bonds are one of the financial instruments to finance this project, as they provide capital to fund green projects. The study also talks about the impact on the fundamental characteristics of the issuer of green bonds and if it gives some advantages over other financial securities.

- Mihálovits, Z., & Tapaszi, A. (2018). Green bond, the financial instrument that supports sustainable development. The study was to look at the barriers to the further expansion of the market and the opportunities for removing these, the uniqueness of environmental threats and the difficulties with their internalization, the possible role of central banks in the development of the green bond market and the arguments for the necessity of global action. Although the widespread adoption of green bonds still awaits, their importance in fostering sustainable growth has by now been widely recognised by both market participants and regulators alike. There have been a great number of initiatives to support market expansion, which may gradually grow into a generally accepted framework that will strengthen the importance of green bonds as a new asset class of its own.
- Deschryver, P., & De Mariz, F. (2020). What future for the green bond market? How can policymakers, companies, and investors unlock the potential of the green bond market? The researchers have identify the current barriers explaining the lack of scalability of the green bond market: a deficit of harmonized global standards; risks of greenwashing; the perception of higher costs for issuers; the lack of supply of green bonds for investors; and the overall infancy of the market. This study makes several recommendations to overcome these obstacles and unlock the full potential of green bonds to finance sustainability goals.
- Tolliver, C., Keeley, A. R., & Managi, S. (2020). Drivers of green bond market growth: The importance of Nationally Determined Contributions to the Paris Agreement and implications for sustainability. The study to construct a normalized index of Nationally Determined Contributions robustness scores to measure their impacts on green bond market growth. Macroeconomic latent factors exerted three times the total influence exerted by institutional latent factors. Institutional effects are positive and indirect, while OECD membership impacts were small and statistically insignificant. Nationally Determined Contributions scores exerted the largest positive and statistically significant impacts among observed variables. These results suggest that Nationally Determined Contributions and other macroeconomic and institutional factors are driving growing green bond issuances that will finance climate and sustainability investments through the future. The researcher highlights the need for broader examinations of the determinants of green bond issuances as investment vehicles for sustainable outcomes.
- Chiesa, M., & Barua, S. (2019). The surge of impact borrowing: The magnitude and determinants of green bond supply and its heterogeneity across markets. Findings suggest that, in general, issue size is positively related coupon rate, credit rating, collateral availability, and issuer's sector and financial health. Moreover, issuances in emerging markets with a more international orientation and denominated in EURO, have a higher size. Arguably, these features make bonds more reliable, secured, and

return-generating for investors, which facilitates higher issue size through greater investor demand. The paper suggest for policies and incentives to encourage impact borrowing through increased green bond supply.

- Bansal, S., Mani, S. P., Gupta, H., & Maurya, S. (2023). Sustainable development of the green bond markets in India: Challenges and strategies. This study identified different challenging factors influencing the development of green bond markets in India and suggests suitable strategies to overcome these challenges. The key factors responsible for the development of green bond markets were identified by an extensive literature review and critical examination through experts' opinion. The results indicate that the lack of clear risk profiling and legislative support involved in green bonds are the most crucial challenges for the Indian green bond market, followed by lack of market knowledge and lack of demand among investors for green bonds. Among the strategies, standardization emerged as the most notable to promote green bond in emerging economies. This study extends the literature by providing comprehensive insights into the challenges restricting the growth of the green bond market and develops a detailed understanding of the different strategies to overcome those challenges. This study also provides a roadmap for policymakers to restructure the green bond market and to help fulfill India's commitment to the Paris Agreement.
- Nguyen, A. H., Hoang, T. G., Nguyen, D. T., Nguyen, L. Q. T., & Doan, D. T. (2023). The development of green bond in developing countries: insights from Southeast Asia market participants. The study talks about the current development status of the green bond in Southeast Asian countries. Around 32 semi-structured interviews were held with capital market participants in Southeast Asian countries. The results talk about the barriers, opportunities, and regulation difficulties, and also the expected growth for the development of the green bond market.
- Banga, J. (2019). The green bond market: a potential source of climate finance for developing countries. This paper examines the potential of green bonds in mobilizing adaptation and mitigation finance for developing countries. Building upon a theoretical approach, it identifies the key drivers of the green bond market over the last few years and the barriers that impede its appropriation by developing countries. The results suggest that the rise of green bonds is a fact in developed and emerging countries, backed by an increasing climate-awareness from investors.
- Lebelle, M., Lajili Jarjir, S., & Sassi, S. (2020). Corporate green bond issuances: An international evidence. This paper highlights the potential consequences of the issuance of a Green bond on the issuer's financial performance. Starting with a first sample of 2079 Green bond issuances of 190 unique issuers from 2009 to 2018, we investigate only corporate green bond issuances. Our results provide evidence that the investors react in the same manner for Green bonds as for conventional or convertible bonds. This evidence suggests that green debt offerings convey unfavourable information about the issuing firms.
- Wicniewski, M., & Zieliński, J. (2019). Green bonds as an innovative sovereign financial instrument. *Ekonomia i Prawo*. There is a growing awareness about the impact that climate change is having on the world economy and the standards of living. Green bonds (GBs) are relatively new and innovative instruments on

the financial market where the capitals are also invested in projects that generate environmental or climate benefits. The study presents the benefits of green bonds and the positive impact that their issuance has on the issuer and on investors' image as socially responsible entities. Thus, green bonds could be one of the easiest ways to attract investors and potentially increase issuance size which can contribute to lower costs of financing green public tasks.

### OBJECTIVE OF THE STUDY

To the study the growth and potential of the green bond market and its possible impact on sustainable development.

#### Methodology

The study will both systematic literature review and also quantitative analysis towards the understanding of the growth of the green bond.

#### Analysis

The quantitative analysis conducted in the study aimed to examine the growth and potential of the green bond market and its impact on sustainable development. The researcher has used secondary study to analyse by collecting data from various sources, like the Climate Bonds Initiative, Bloomberg, and other industry reports as available on internet. Primary study was conducted by using various statistical tests for further analyse of the data.

The first analysis conducted was a comparison between the growth rates of the green bond market and the overall bond market. The data showed that the green bond market has increased over the past decade, with total green bond issuance reaching higher record levels. The growth rate of the green

bond market has crossed that of the overall bond market, indicating increasing number of investors interested in financing sustainable projects through green bonds.

The second analysis conducted was an examination of the industries which are issuing green bonds. Renewable Energy, energy efficiency and green buildings are the industries which are related to the issuing green bonds. These industries are very crucial for sustainable development as they directly as well as indirectly have impact on the reduction of greenhouse gas emissions and promote a transition to a low-carbon economy.

The third analysis conducted was an examination of the geographical distribution of green bond issuance. The data showed that the United States and European Countries are the most active regions in terms of issuing green bonds, which are followed by China. There has been this consistent with the trends in investments in renewable energy, as these regions are also the most significant investors in renewable energy.

The fourth analysis conducted was an examination of the various types of issuers who are active in issuing the green bonds. The data showed that Governments and Multinational corporations are the most active issuers, which are followed by corporations and financial institutions. Governments and Multinational Corporations plays a crucial role in promoting sustainable development through the issuance of green bonds.

The study's quantitative analysis offers valuable insights into how the growth of the green bond market relates to sustainable development efforts. According to this report's findings, the use of green bonds presents tremendous possibilities as a tool

supporting such initiatives effectively. Furthermore, with increasing investor interest in funding eco-friendly developments using these bonds; this trend can persist further too. This research highlights renewable energy sources like solar or wind power generation alongside increased use of energy-efficient technology or creating greener buildings contribute significantly towards sustainability objectives too! Countries or supra-national entities have pivotal roles to play by issuing more such bonds with an ecological focus.

## CONCLUSION

In this comprehensive research analysis project tracing current developments within the realm of Green Bonds Market - we explore not only what is driving its growth but also why it matters for advancing ecological conscientiousness within investment circles worldwide. Key factors underpinning this expansion encompassed heightened investor demand fueled by a desire for more socially responsible portfolio options; regulatory provisions tailored specifically towards “green financing”; establishment of industry-wide standards & protocols aiding credibility across stakeholder communities alike. Furthermore - we highlight how investment-driven green projects can go a long way in supporting and promoting sustainable development initiatives and thereby helping the world transitioning into a greener, more equitable future.

The study identifies several challenges and limitations of the green bond market, including the lack of harmonization of green bond standards, the potential for greenwashing, and the limited availability of suitable green projects. The study recommends that policymakers, investors, and issuers work together to address these challenges and further promote the growth and potential of the green

bond market for sustainable development.

The study shows the potential of green bonds as a financial instrument for advancing sustainable development. It provides valuable study about the growth and its potential of the green bond market and it identifies the challenges and limitations which needs to be addressed to fully realize the potential of green bonds for sustainable development. To address these challenges, policymakers, investors, and issuers can further promote the growth and potential of the green bond market for sustainable development.

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Survey No. 341, Govt. Colony, Bandra (East), Mumbai 400 051, Maharashtra.

Tel.: +91 2262157851 / 53 / 57 / 58 Email: [info@crkimr.in](mailto:info@crkimr.in) Website: [www.crkimr.in](http://www.crkimr.in)