ISSN 2322-0767
VOLUME 7 (ISSUE 1&2)
JANUARY- DECEMBER 2020

JOURNAL OF COMMERCE AND BUSINESS STUDIES

Department of Commerce
University of Delhi

Editorial Board

Editor-in-Chief

Ajay Kumar Singh
Senior Professor, Department of Commerce, Delhi School of Economics, University of Delhi, India aksingh@commerce.du.ac.in

Editor

Kavita Sharma
Professor, Department of Commerce, Delhi School of Economics, University of Delhi Email: ksharma@commerce.du.ac.in

Assistant Editor

Sahaj Wadhwa
Assistant Professor, Department of Commerce, Delhi School of Economics, University of Delhi
sahajwadhwa@commerce.du.ac.in

Editorial Advisory Board

Prof. A. D. Amar, *Stillman School of Business, USA*

Prof. Dheeraj Sharma, *Director, IIM, Rohtak*

Prof. N. S. Bisht, *Kumaun University, Nainital*

Prof. R. D. Sharma, *Former Vice Chancellor, University of Jammu, Jammu*

Prof. R. K. Mishra, *Director, IPE, Hyderabad*

Prof. Rajesh Kothari, *University of Rajasthan, Jaipur*

Prof. Rattan Sharma, *Former Professor, IIM Lucknow & MDI, Gurgaon*

Prof. S. P. Parashar, *University of California, USA*

Prof. Satyabhusan Dash, *IIM, Lucknow*

Prof. Staurt Locke, *University of Waikato, New Zealand*

Prof. Suraksha Gupta, *New Castle University, UK*

Prof. Yogesh Upadhyay, *Jiwaji University, Gwalior*

CA Atul Kumar Gupta, *Vice President, ICAI*

Dr. Bhaskar Chatterjee, *DG & CEO, IICA, Gurgaon*

Dr. Qingxiu Bu, *University of Sussex, UK*

Contents

Volume 6, Issue 1 & 2 (January-December 2019) ISSN 2322-0767

CONTENTS

Research Papers

BUILDING FROM BOTTOM UP: A MICRO INSTITUTIONAL APPROACH TO GOVERNANCE, QUALITY ASSURANCE AND EXCELLENCE IN HEI

Anand Saxena[1]

As an alternative to the macro institutional approach of setting up a centre of excellence (COE) in a Higher Education Institute (HEI) the paper proposes a micro institutional approach thereto. Conceptually the paper draws on the ideation of centres with potential for excellence at the university and college levels by the University Grants Commission. Theoretically, locus of the paper vests in institutional theory. Empirically, the paper examines the evidence in respect of centres of excellence- secondary as well experiential. The paper attempts a bottom-up articulation of the vision, mission and objectives of the COEs; it also spells out the activity spectra in furtherance thereof. The framework developed here does not contradict the macro institutional approach. It instead proposes an alternative that can co-exist with and even complement that. It proposes an organic and adaptive framework that captures the ground realities of a typical HEI and the COE situated therein.

Keywords: *Excellence; Governance; Higher Education Institutions (HEI); Institutional Theory; Quality Assurance*

BACKGROUND

Teaching and research quality, however defined, are the two indispensable measures of academic quality in HEI, that is, Higher Education Institutions (Patrick & Stanley, 1999). Thus, teaching and research prowess significantly counts in the assessment of the performance of both, individual educators as well as HEI. Often the funding of the HEI is linked to these performance measures in a double loop manner. That is, HEI with superior ranks on these parameters attract better funding at the one end. And at the other, development of excellence on these counts is dovetailed by the higher education funding agencies into their funding schemes. It would be rather naïve of course, to view excellence in teaching and research from a narrow perspective of performance assessment of HEI educators and researchers and the HEI themselves. Excellence in higher education is definitely a significant contributor to a nation’s knowledge & innovation (K&I) systems and national competitiveness. This utilitarian value of higher education notwithstanding, the “higher” in higher education is a deontological imperative of any discussion or reform of governance, quality and excellence in HEI.

In this paper we consider setting up of Centres of Excellence (COE) in HEIs as a proxy to effective governance, quality assurance and excellence in HEIs and situate it in the institutional

[1]Associate Professor in Commerce, Deen Dayal Upadhyaya College, University of Delhi

theory generally and micro institutional theory specifically. We do so with reference to a cursory evaluation of the COE scheme in India. We refer to this policy driven initiative as ‘macro institutional approach’ toward governance, quality assurance and excellence in higher education. We review its progress and propose a micro institutional approach as a more organic and adaptive alternative approach to development of K&I systems in HEIs.

Rest of the paper is organized as follows. In the section that ensues we briefly trace the ideation of universities as centres of excellence. Although we do make a reference to India’s much celebrated excellence in education in the past yet our frame of reference is the emergence of the idea of centres of excellence since about the mid 1980s. In Section III we develop the contours of the micro institutional approach that is the prime focus of the paper. Section IV pertains to an integrated, holistic and meaningful articulation of governance, quality assurance and excellence in HEIs. Our conclusions and policy implications thereof are stated in Section V.

CENTERS OF EXCELLENCES IN INDIA

In India, the use of Centres of Excellence has been an integral aspect of our developmental strategy that emphasized advanced scientific research and aimed at building nation’s scientific and technological capacities (Krishna, nd). With a hindsight, India’s K&I ecosystem may be said to consist of state funded public research system comprising (a) Science & Technology Institutes (S&TIs); (b) Higher Education Institutions (HEIs) that is universities and colleges; (c) private and transnational enterprises and technology development centres; (d) non-governmental research centres funded by public grants and private purses (Figure-1).

Public Research System	
S&TIs Space, atomic energy, agriculture and industrial research, as well as in-house R&D laboratories in large public-sector enterprises	HEIs Higher Education Institutions Universities and Colleges
Private and Transnational Enterprises and Technology Development Centres	Non-Governmental Research Centres Funded by Public Grants and Private Purses

Figure-1: India’s Formal K&I System

Figure-1 captures the major constituents of the formal COEs. It by no means is a comprehensive and inclusive framework of India’s prowess as well as potential in educational and research excellence and K&I system. The significant omissions here our traditional knowledge and innovation system and knowledge & innovation at the grassroots. These omissions have been made with a view to retaining the focus on the paper on COEs in the HEI context.

We have also not delved into the ancient universities of *Takshashila* and *Nalanda* as abode of excellence in higher education respectively in Political Science, Economics and Medicine (*Takshashila*) and Religion, Buddhist Studies (Nalanda). We do acknowledge however that there is a strong possibility that indigenous COEs and practices deserve an inquiry into their governance, quality assurance systems and areas of excellence.

UGC'S SCHEME OF COES

University Grants Commission (UGC) is the apex level funding, coordinating and academic standard oversight body for higher education in India. Its COE schemes include, "Universities with Potential for Excellence (UPE)" launched in the IX Plan period (1997-2002); and, "Colleges with Potential for Excellence (CPE)" launched in the X Plan period (2002-07). During the IX Plan itself, the UGC also launched a scheme named as "Centre with Potential for Excellence in a Particular Area (University Grants Commission, 2012). This scheme was operational until 2021 and, in some cases, up to March 2022 as well. For the sake of convenience, we shall refer to all as the Centres of Excellence.

The potential for excellence schemes focused on development of research infrastructure at the HEIs- both universities and colleges- generally that is in a broad field of study. The 'particular area' scheme aimed at development of academic and research capabilities of the selected universities in a relatively narrow and specific, albeit interdisciplinary areas of research.

A brief account of the progress since 1997 would be in order. First, we present available data on the Universities as Centres of Excellence. See, Table-1.

Table-1: Universities as Centres of Excellence

Scheme	Number of Universities
Universities with Potential for Excellence (UPE)	15
Universities with Potential for Excellence in a Particular Area (UPEPA)	13

Data Source: (UGC, n.d.); (UGC, n.d.)[2.] Data culled from Annexure-1

Given that there are over 5000 universities in India (Szmigiera, 2022) data from Table -1 does not project a promising picture. More than the numbers, the time frame involved in the development of UPE and UPEPA that is thirty-five years (1997-2022) is a matter that deserves closer study.

Qualitatively though, the fields of study taken up by the universities for development of generic potential and later on specific area of expertise do affirm the underlying objectives of the schemes. It may be noted that 3/15 universities persisted with vertical alignment of UPE and UPEPA (Table-2).

Table-2: Emergence of Expertise Through COE Schemes

S. No.	University	Field of Excellence Under UPE	Particular Area of Excellence under UPEPA
1.	University of Calcutta	Modern Biology	Electrical Physiological and Neuro Imaging
2.	University of Madras	Herbal Science	Pharmacology and Environmental Science
3.	Osmania University	Material Research	Bio prospecting

Data Source: (UGC, n.d.); (UGC, n.d.)[2] . Data culled from Annexure-1

Table-2 shows that the universities featuring therein have made a definite progress from a particular field-centric expertise toward the development interdisciplinary capacity. Whether the other universities lost the steam or changed the focus is not ascertainable from the data.

COLLEGES AS CENTRES OF EXCELLENCE

Beginning from 2004-05 up to 2021-22, that is over a span of nearly twenty years, number of colleges in different phases of the schemes of centres of excellence stands at 304. This number when seen in the context of over 45000 undergraduate degree colleges in India seems to be telling a story similar to that of the universities.

The COE scheme typically spans three phases of five years each. A college can get COE status upon the completion of second or third phase depending upon its performance on a set of criteria, including High 'A' grade ranking from the National Assessment and Accreditation Council (NAAC), an autonomous body of the UGC for quality assessment. While we could not map the progress of all the colleges as COEs, a sample study conducted by us should provide some useful insights (Table-3).

Table-3: Colleges as Centres of Excellence

Particulars	Phase-I	Phase-II	Phase-III	Number Recognized as COE out of the sample	Number Recognized as COE out of the Total
Proportion of Colleges	18	30	52	None	19 (6.1)

n = 50; N= 304. Figure in parentheses represents percentage to total. Here n is the size of the sample and N is the total number of colleges supported by the UGC under the COE scheme
Source: (UGC, n.d.)

INSTITUTIONAL THEORY

Simply stated institutional theory posits that institutions are a significant influencer of individual and organizational behavior. In fact, institutions, whether formal or informal, expressed through explicit or implicit rules or norms pervade our lives. Much of the institutional theory, however, pertains to macro, national institutions- economic [(North, 1990) (Aoki, 2001) (Rodrik)]; social [(Polanyi, 1944) (Hofstede, 1984)]; political [(Engberg, Andersen, & Jung , 2008) (Autio & Fu, 2012)]. The influence transmission process of macro institutions obviously is historical, evolutionary and relatively immutable. And earlier versions of institutional theory considered these as exogenous influencers of individual and organizational behaviours. Later versions of institutions permit greater interplay between the actors and the institutions as also prevalence of intermediate (meso) and immediate (micro) level institutions. The resultant complex therefore also permits and enquires into the interactions between successive levels of institutions.

MICRO INSTITUTIONAL AND BOTTOM UP APPROACH

The paper takes a position that when it comes to quality and excellence the effectiveness of macro institutional approach of context influencing e.g. via policy change and its implementation through hierarchies is contingent upon agent selection, monitoring and control. The process gets long drawn. And the demands of coordination and control become so heavy that the system somehow gets buried under its own weight. The emphasis on compliance, skills of preparing research projects and reporting progress etc. results in a kind of means-ends inversion. Without prejudice to the role played by it in the higher education space of India, the data on COEs under the aegis of UGC is suggestive of the generic problems of influencing change through policy driven, macro level institutional framework.

This position must not be misconstrued as against state funding and public system of higher education. On the contrary, there is a need to vehemently support public funded higher education system. The generic problems of macro level institutional framework can indeed be worse in a market-driven macro institutional framework implied by neo-liberal paradigm (Figure-2).

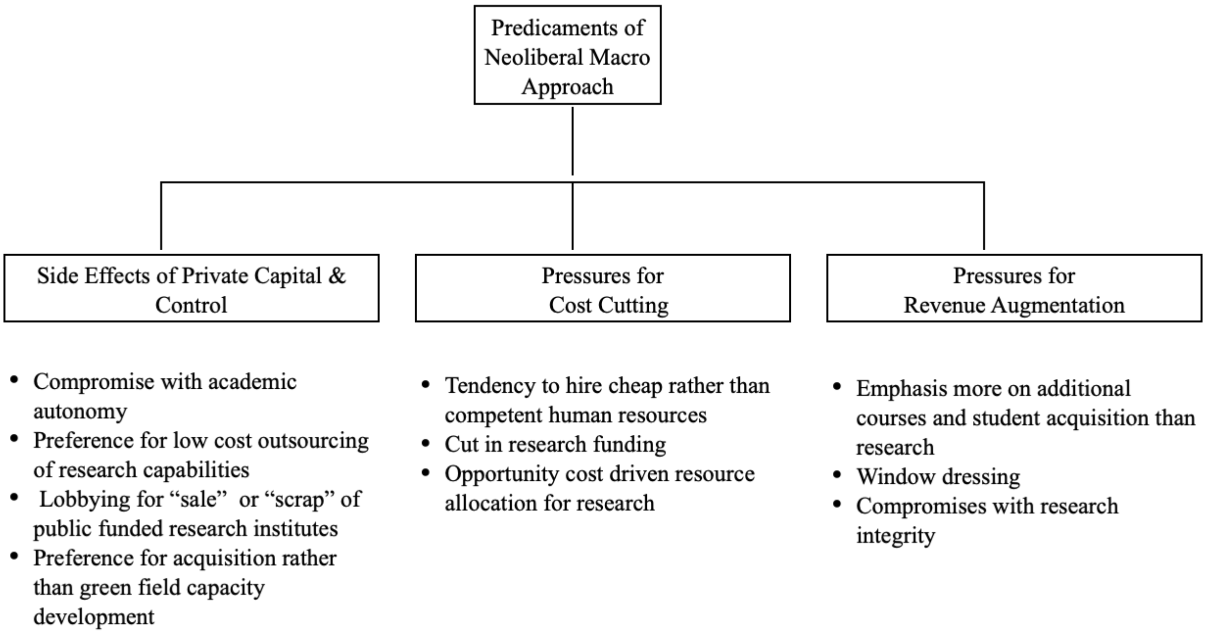

Figure-2: Predicaments of Market Driven Macro Approach
Source: Author

The micro institutional theory provides a rich, complex view of organizations where the impulses for change, quality and excellence arise from within the organization itself. These impulses emerge from the interactions among the organizational members and between the stakeholders, their extra organizational engagements and pursuits and the development of individual and collective consciousness. These impulses modify the prevalent structures and processes; and, give rise to new. Thus, one witnesses a kind of bottom up reimagining, reengineering, renovating and renewing of "meaning" of the organizational chores, job purpose and so on.

Are macro and micro institutional theories, pole apart? Our view is rather integrative.

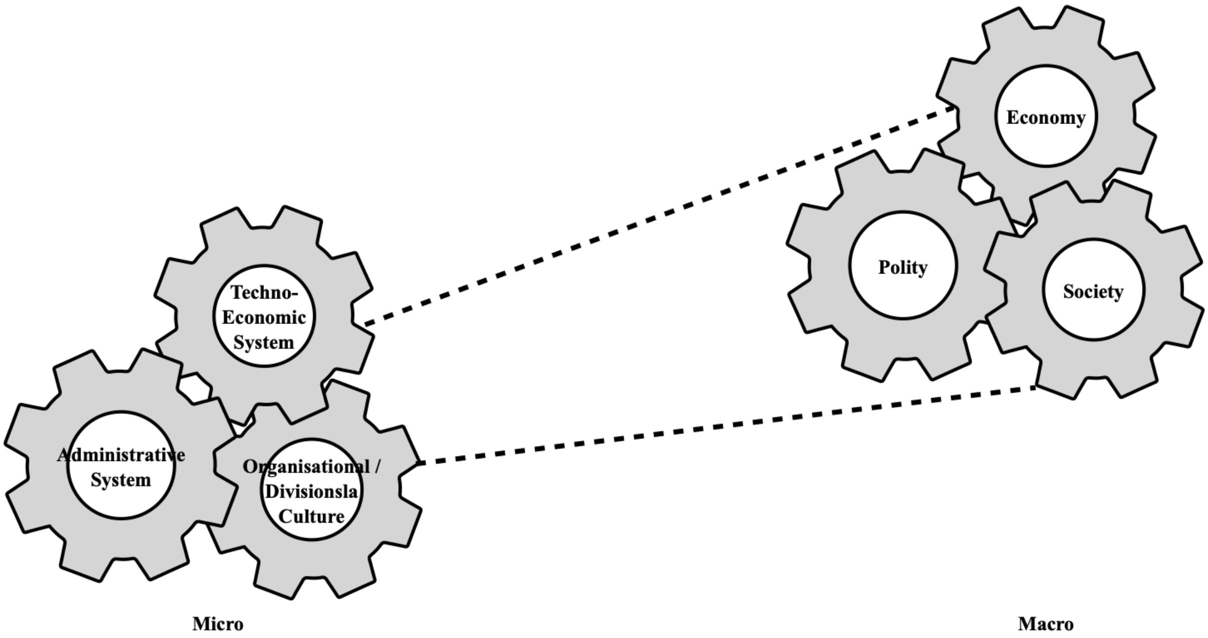

Figure-3: An Integrative Framework of Micro and Macro Institutions
Source: Author

Figure-3 provides and integrative and interactive view of macro and micro institutions and thus permits the adoption of a bottom up, micro institutional approach to governance, quality and excellence in HEIs.

Micro institutions- the stabilized patterns of behaviours- are stylized similar to macro institutions. Are not organizations, like a nation, at the same time a productive system (techno-economic system); a social system; and, administrative system? If so, then what are the attendant tangible and intangible aspects of their functioning? Imagine an organization where the leadership derives its legitimacy from referent power; the culture is knowledge respecting and celebrative of intellectual pursuits and accomplishments of its faculty and students; and the resource allocation is informed by the imperative of excellence in education and research. Would it not foster a pervasive engagement in pursuits of quality and excellence?

MICRO INSTITUTIONS AND COES

We propose hereunder the contours of the bottom up micro institutional approach to educational governance, quality and excellence. Our unit of analysis here is a constituent college of a national university. And since the author is a commerce/ business educator, the immediate point of reference is commerce discipline. According to us, commerce as a point of reference offers several vantage points toward the development of COEs as these are now understood in terms of transcendence of disciplinary boundaries.

One may consider commerce as an eclectic discipline that draws on such diverse disciplines as laws & governance, economics, finance, accounting and all the elements of a business start-up, management and governance ecosystem. We thus propose an eclectic, integrative and holistic framework for the bottom up emergence of a commerce centric COE (Figure-4).

The mind map structure chosen for projecting COE represents its organic nature where continuous evolution and improvement is a norm. Thus, even as major nodes remain relatively static, minor nodes could be more diverse and dynamic. The framework is applicable for setting up the new as well as evaluating the existing COEs within a HEI. Vision, Mission, Objectives and Values comprise the cardinal building blocks of the COE whereas people, physical infrastructure and activities imply their operationalisation. The framework provides for effective governance of the COE following the principles of leadership, multi-stakeholder and sociocracy imply consent driven decision making. The framework does not view micro governance in conflict with the macro and meso governance mechanisms. Instead it considers these as complementing each other.

We would desist from an elaborating each of the secondary and tertiary nodes of the commerce centric COE for want of space. We believe most elements are self-explanatory. What we do instead is to draw major conclusions and discuss implications thereof in the now following final section.

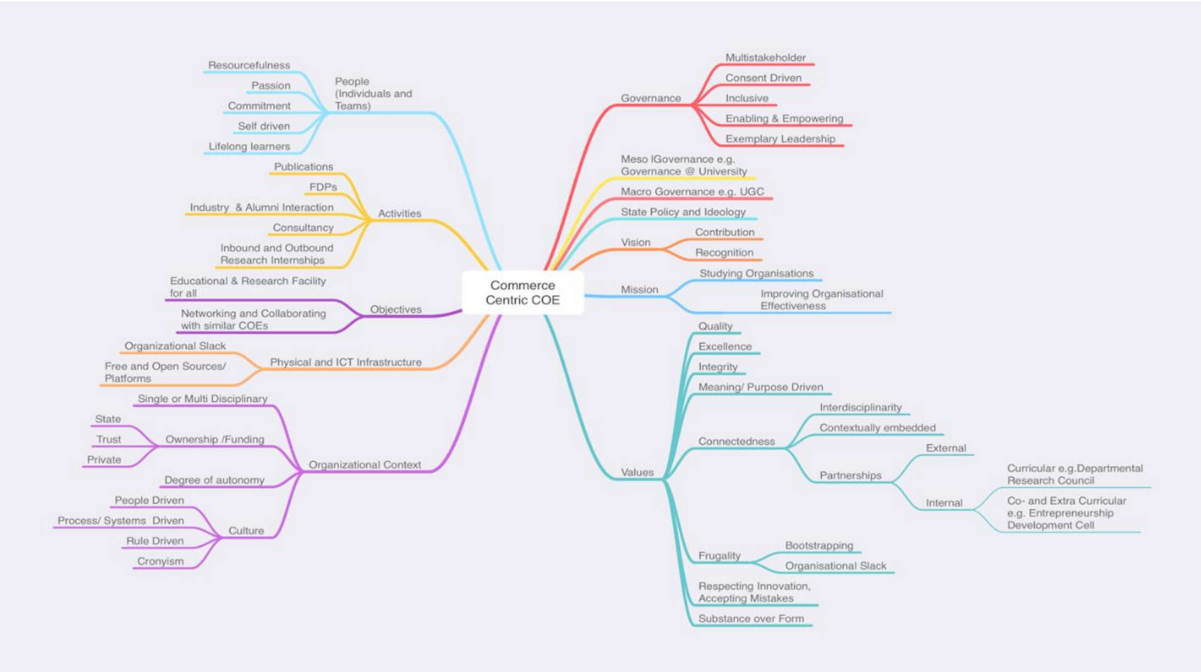

Figure-4: Contours of Micro Institutional Approach Driven COE

CONCLUSIONS AND IMPLICATIONS

In the preceding section we have shown that it is possible to develop a bottom up a CEO inspired by a micro institutional approach to governance, quality and excellence. Use of a mind map to specify the contours of commerce centric COE in Figure-4 is purposive in view of some useful interpretations.

- Organic look and feel. A bottom up COE must emerge and grow organically and reflect the collective aspirations.
- People driven. People as individuals and collaborative groups & teams are the soul of the system. Systems must not fail the people.
- Open & adaptive. The nodes in the mind map can be added or deleted in sync with the extant, emerging and future realities.

- Network driven. A COE thrives on the strength of its network, not necessarily its net worth- funding, infrastructure, etc. The networking happens both within, across disciplines and transcends an organization's boundaries
- Self-sustaining. Publications, consultancies, drawings on organizational slack and frugal engineering is likely to make a bottom up COE a self-surviving and self-thriving entity.

Quality and Excellence imply a journey, not a destination. Rather than being imposed exogenously, there is a great merit in allowing these to endogenously flow and flourish. The approach developed in this paper eminently and amply demonstrates this.

REFERENCES

Aoki, M. (2001). *Toward a comparative institutional analysis.* Cambridge: MIT Press .

Autio, E., & Fu, K. (2012). Economic and political institutions and entry into formal and informal entrepreneurship. *Asia Pacific Journal of Management Special Issue Conference* . Beijing : Asia Pacific Journal of Management .

Engberg, P. L., Andersen, L., & Jung , D. (2008). *Fragile situations.* Copenhagen, Denmark : DIIS.

Hofstede, G. (1984). Cultural dimensions in management and planning. *Asia Pacific Journal of Management*, *1*(2), 81-99.

Krishna, V. V. (nd). *Programme on Innovation, Higher Education and Research for Development (IHERD) Background document Case study India Centre of excellence as a tool for capacity building.* Retrieved May 2022, from www.oecd.org: https://www.oecd.org/sti/Draft_India%20Case%20Studyfinal.pdf

North, D. (1990). *Institutions, institutional change and economic performance.* Cambridge: Cambridge University Press.

Patrick, W. J., & Stanley, E. C. (1999). Teaching and Research Quality Indicators and the Shaping of Higher Education. *Research in Higher Education, 39*(1), 19-41.

Polanyi, M. E. (1944). *The great transformation: The political and economic origins of our times.* Boston, MA : Beacon.

Rodrik, D. (n.d.). *One economics, many recipes: Globalisation, institutions and economic growth.* Princeton, NJ: Princeton University Press .

Szmigiera, S. (2022, January 26). *Estimated number of universities worldwide as of July 2021, by country*. (Statista) Retrieved May 2022, from https://www.statista.com: https://www.statista.com/statistics/918403/number-of-universities-worldwide-by-country/#:~:text=According%20to%20data%20from%20July,estimated%205%2C288%20universities%20in%20India.

UGC. (n.d.). *Centre with Potential for Excellence in Particular Area*. Retrieved June 2022, from https://www.ugc.ac.in: https://www.ugc.ac.in/page/Centres-(CPEPA).aspx

UGC. (n.d.). *Status of CPE／CE Colleges selected under the CPE Scheme as on 01.04.2017.* Retrieved June 2022, from https://www.ugc.ac.in: https://www.ugc.ac.in/oldpdf/colleges/Press_release06CPE.pdf

UGC. (n.d.). *Universities (UPE).* Retrieved June 2022, from https://www.ugc.ac.in: https://www.ugc.ac.in/page/universities-(upe).aspx

University Grants Commission. (2012). *GUIDELINES FOR CENTRES WITH POTENTIAL FOR EXCELLENCE IN PARTICULAR AREAS (CPEPA) XII PLAN (2012-2017).* Retrieved May 2022, from https://www.ugc.ac.in: https://www.ugc.ac.in/pdfnews/2758219_guideline-cpepa.pdf

Annexure-1: List of Universities

1	HEI	Scheme UPE	Fields of Study	Scheme CPEPA	Focus Areas
2	Allahabad University, Allahabad	-	-	CPEPA	Cognitive & Behavioural Sciences
3	Anna University, Tamil Nadu	-	-	CPEPA	Environmental Sciences
4	Annamalai University, Tamil Nadu	-	-	CPEPA	Marine Biology
5	Bangalore University, Karnataka	-	-	CPEPA	Molecular Biology, Nano Technology
6	Devi Ahilya University, Madhya Pradesh	-	-	CPEPA	E-Management
7	Guru Nanak Dev University, Amritsar	-	-	CPEPA	Sports Sciences, Medicine
8	Himachal Pradesh University, Himachal Pradesh	-	-	CPEPA	Himalayan Studies
9	Jadavpur University, Kolkata	UPE	Mobile Computing and Communication	-	-
10	Jai Narain University, Rajasthan	-	-	CPEPA	Ecology
11	Karnataka University, Karnataka	-	-	CPEPA	Advanced Materials
12	Mysore University, Karnataka	-	-	CPEPA	Nano Materials
13	Osmania University	UPE	Material Research	CPEPA	Bioprospecting
14	Panjab University, Chandigarh			CPEPA	Biomedical Sciences, Gender Audit, Nano Materials, Particles and Composites
15	Rajiv Gandhi (Arunachal University), Arunachal University			CPEPA	Biodiversity
16	Rashtriya Sanskrit Vidyapeeth, Andhra Pradesh			CPEPA	Traditional Knowledge

17	Saradar Patel University, Gujarat			CPEPA	Polymers
18	University of Calcutta, West Bengal	UPE	Modern Biology	CPEPA	Electrical- Physiological and Neuro Imaging
19	University of Madras	UPE	Herbal Science	CPEPA	Pharmacology, Environmental Sciences
20	University of Pune	UPE	Bio-Chemistry & Bio- Technology	-	-
21	University of Hyderabad	UPE	ICT- Interface Studies and Research	-	-
22	Jawaharlal Nehru University	UPE	Genetics, Genomics and Biotechnology	-	-
23	Madurai Kamraj University	UPE	Nanoscience in Biology	-	-
24	North Eastern Hill University	UPE	Bio Sciences and Area Studies	-	-
25	University of Mumbai	UPE	Green Technology	-	-
26	Banaras Hindu University	UPE	Functional Materials, Genomics, Proteomics	-	-
27	University of Rajasthan	UPE	Nano Particles, Composites and Layers	-	-
28	University of Mysore	UPE	Advanced Materials, Media Studies	-	-

VIRTUOUS CYCLE BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE FINANCIAL PERFORMANCE

Ajay Kumar Singh[1], Deepali Malhotra[2]

In this study, one of the older concepts in discussion of Corporate Social Responsibility i.e., 'whether investment in social activities is worthwhile or not' has been addressed. Till present day, this debate has been prompting researchers to empirically investigate relationship between CSR and CFP. However, there is no generalized conclusion to this question. This paper seeks to investigate relationship between CSR and CFP. The period chosen for the study is 2007-2013. Our sample constitutes of all companies except Banks and Financial Institutions listed on CNX 100 index of NSE. For measuring CSR, we have constructed CSR Measurement Index which is based on inventory of 95 items under ten broad dimensions. This study has used both accounting based and stock-market-based measures like to investigate the bidirectional relationship. Statistical tools like Pearson correlation analysis and multiple regression analysis have been applied. The study concludes that there is existence of virtuous cycle between CSP and CFP.

Keywords: *Corporate Social Responsibility, Corporate Social Performance, Corporate Financial Performance, Virtuous circle.*

INTRODUCTION

Corporate Social Responsibility involves the notion that primarily the duty of organizations is to fulfil expectations of society (Gossling & Vocht, 2007). According to Halme and Laurila, (2009), recent decades have received much attention in relation to the role and responsibilities of the corporation in society. Corporations intend to maintain their 'license-to-operate' by investing in CSR activities. Also, there is increasing demand for transparency and rising expectations from wide sections of society such as shareholders, regulators, activists, and media for companies to be accountable for all their activities and they should continually improve their social, environmental, and economic performance. Friedman (1970) viewed that a corporation's sole responsibility is to maximize profits while staying within the rules of the game. Conversely, it is very difficult for companies to restrict their responsibility to profit maximization due to growing corporate authority and increasing societal consciousness towards environmental and social issues. This led to CSR development. Bowen (1953) introduced the concept of CSR in his book 'The Social Responsibilities of a Businessman'. In

[1]Senior Professor, Department of Commerce, Delhi School of Economics, University of Delhi
[2]Assistant Professor, Delhi School of Management, Delhi Technological University

1960s, the definition was extended by Carroll, proposing that beyond legal obligations companies had certain responsibilities towards society. According to the definition of Carroll (1979), CSR mainly consists of four responsibilities, including the economic responsibility (to be profitable), legal responsibility (to abide the laws), ethical responsibility (obligation to do what is right and fair), and lastly, philanthropic responsibility (to be a good corporate citizen).In prior times it was not taken seriously, but currently this concept has received immense support from wide society including corporations, governments, NGOs, media, and consumers, who all vigorously participate in CSR activities (McWilliams & Siegel, 2000). A large number of corporations feel that their responsibilities extend beyond making profits. They have started considering impact of their activities on society as well as environment. They are engaged in incorporating CSR into every aspect of their business.

The concept further came into prominence due to upsurge of sequence of scandals such as failure of Enron, USA (2001), Maxwell, UK (1999), WorldCom, USA (2002), Satyam, India (2008) which highlighted the issue of corporate governance as well as Royal Dutch/Shell highlighting the issue of unsatisfactory human rights protection, the Adidas case highlighting brutality with child labour, the Coca-Cola bottle pollution incident in India, spilling of 11 million gallons of oil by Exxon into the water surrounding Alaska in 1989 highlighting environmental issues, and China's milk poisoning incident in 2008. The sequence of incidents involving big businesses recommends that large number of stakeholders will suffer if CSR is not properly recognised and discharged (Yang et al., 2010).

With the enactment of Companies Act, 2013, the focus of Corporate Social Responsibility has come to the limelight. It has been for the first time in any country where in the concept of CSR has been defined in any law. According to the new Act, all companies with an annual turnover of Rs. 1,000 crore and more, or a net worth of Rs. 500 crore and more, or a net profit of Rs. five crore and more, shall set-up a CSR committee consisting of their board members, including at least one independent director and are required to spend at least 2% of their average net profit in the previous three years on CSR activities, where net profit is the profit before tax as per the books of accounts, excluding profits arising from branches outside India. (Section 135, Companies Act, 2013).

LITERATURE REVIEW

There has been extensive research on the relationship between CSR and financial performance. Many academic contributors have tried to examine existence of 'virtuous cycle' between two variables—i.e., to determine if 'doing good' socially leads to 'doing well' financially, and whether firms demonstrating enhanced financial performance devote more resources to social activities. From 2002 – 2014, 14 studies have been conducted to analyse CSR-CFP link in both directions. 6 out of 14 studies established existence of virtuous cycle between two variables, 4 studies demonstrated positive relationship from CSR to CFP and no relationship from CFP to CSR whereas 1 study revealed positive relationship from CFP to CSR and no relation from CSR to CFP; mixed relationship was found in both directions only in 2 studies, however, 1 study demonstrated no relationship in both the directions. Table No. 1 summarizes studies that have assessed CSR-CFP link in both directions.

Table No. 1: Studies exhibiting bi-relationship between CSR and CFP

S. No.	Study	Relationship		Results
		CFP → CSP	CSP → CFP	
1	Ahmadi (2014)	Positive	Positive	The OLS regressions resulted in a positive correlation between CSR and CFP, and also in the opposite relation CFP and CSR thereby establishing virtuous cycle between two variables.
2	Bird et al. (2006)	Positive	No relationship	Study revealed much stronger relationship between CFP and CSR activities than between either of performance measures and CSR activities i.e., It is *slack resource theory* rather than *good management theory* that provides the best explanation for what causes management to invest in CSR activities.
3	Choi et al. (2010)	Positive	Positive	Positive and significant relationship between CFP and CSR when CSR is measured by a stakeholder-weighted index and insignificant relationship when CSR is measured by Equal weighted (CSR) index. High levels of corporate financial performance have a positive impact on the stakeholder weighted CSR index.
4	Fauzi & Idris (2009)	Positive	Positive	Positive relationship between CFP and CSP under the slack resource theory and under good management theory reflecting presence of virtuous cycle.
5	Guney & Schilke (2010)	Partial	Partial	Study revealed that CFP does not linearly affect the concurrent CSP and vice-versa. However, in some cases the prior CSP negatively influences the subsequent CFP when CFP is measured by MVA whereas the prior CFP positively influences the subsequent CSP when CFP is measured by ROA. Hence, the study partially agrees with the existence of virtuous cycle depending on CFP measure, in which CSP is both a predictor and consequence of CFP.

6	Hamid & Atan (2011)	Mixed	Mixed	Corporate social performance (CSP) has no effect on financial performance (CFP) under both slack resource's theory and good management theory. CSP has negative effect on the market value of the share under slack resources theory and good management theory. Also, CFP does not have mediating effect in between the CSP and market value of the share and also in between the CSP and debt level of the firm.
7	Nelling & webb (2008)	Positive	No relationship	Strong stock market performance leads to greater firm investment in aspects of CSR devoted to employee relations, but that CSR activities do not affect financial performance.
8	Scholtens (2008)	Positive	Positive	Good financial performance has positive impact on social performance as good financial performance makes available the funds with which to make investments that improve environmental and social performance of the firm. Good environmental and social performance resulted in good financial performance because of the efficient use of resources and commitment of the workforce and other stakeholders. Also, financial performance in general terms precedes social performance much more often than the other way around.
9	Seifert et al. (2003)	Weak positive	No relationship	Weak positive relationship exists between cash resources available and cash donations, whereas no significant relationship between firm giving to charity and overall financial performance.
10	Seifert et al. (2004)	Positive	No relationship	Slack resources in the form of cash flow leads to firm giving. However, there is no effect of giving on market-based financial performance. In other words, doing well enables doing good whereas no significant effect on profits from corporate generosity.
11	Surroca et al. (2009)	Positive	Positive	CSP stimulates the development of intangibles related to innovation, human capital, reputation, and culture, which lead in turn to improved financial outcomes.

				Also, study supports the opposite causal chain. Hence, there is no direct relationship between CSP and CFP—merely an indirect relationship mediated by a firm's intangibles. This is referred as virtuous circle, in which any increase in one type of performance is translated into an improvement in the other, if and only if new intangibles are developed.
12	Wissink (2012)	Positive	Positive	Results suggest existence of a virtuous cycle between CSP and CFP. Better CFP results in better CSP and, in turn, better CSP results in better CFP.
13	Yang et al. (2010)	No relation ship	Positive	Gaining control of the R&D and size of a company, CSP has a positive impact on ROA, indicating that higher previous CSP would lead to higher latter ROA. Also, the impact of 2006 CFP on 2007 CSP is not significant, indicating that previous CFP would not affect latter CSP.
14	Youssef & Hamza (2014)	No relation ship	No relationship	There is no significant relationship between CSP and CFP using a model derived from Good Management Theory as well as Slack Resource Theory.

OBJECTIVE OF THE STUDY

The objective of this study is to test the existence of virtuous cycle between Corporate Social Performance and Corporate Financial Performance

HYPOTHESES

The hypotheses are constructed on an expectation that there exists a virtuous cycle between CSP and CFP, i.e., better CFP leads to improved CSP (Slack resources theory). Also, better CSP leads to improved CFP (Stakeholders theory). In other words, CSP is a predictor of CFP and also a consequence of it.

Primary Hypothesis

Null Hypothesis: H0P: Virtuous cycle does not exist between CSP and CFP.
Alternative Hypothesis: HaP: Virtuous cycle exist between CSP and CFP.
Secondary Hypotheses relating to Primary Hypothesis

First Secondary Hypothesis

(i) Null Hypothesis: H0S1: Better corporate financial performance does not result in better corporate social performance.

(ii) Alternative Hypothesis: HaS1: Better corporate financial performance results in better corporate social performance.

Second Secondary Hypothesis

(i) Null Hypothesis: H0S2: Better corporate social performance does not result in better corporate financial performance.
(ii) Alternative Hypothesis: HaS2: Better corporate social performance results in better corporate financial performance.

In other words, hypothesis HaS1 affirms that Slack resources theory holds true in investigating relationship between CSR and CFP whereas hypothesis HaS2 claims that Stakeholders theory holds true while exploring relationship between the two variables.

DATABASE AND METHODOLOGY

The study has been centred around three different time periods of two years in order to overcome problems of time limitations and causal direction. Three different time periods include Period 1 from 2007 to 2009, period 2 from 2009 to 2011 and period 3 from 2011 to 2013. CSP has been determined by constructing the index between 2009-2011 (period 2). CFP has been determined for the time period 2007-2009 (period 1) in order to analyse the CFP-to-CSP link and for 2011-2013 (period 3) to determine the CSP-to-CFP causal link. Additionally, several control variables have been introduced in the relationship at a later stage to know how they influence such relationship. Our sample constitutes of all companies except Banks and Financial Institutions listed on CNX 100 index of National Stock Exchange (NSE). After dropping 2 companies for which data was not available, a total of 74 non-financial companies have been considered as the final sample for the study. Data on CSR have been collected from the annual reports and websites of the companies for the years 2007–13. Similarly, secondary data have been used for measuring CFP and control variables for the period from 2007–13 from Bloomberg Database and companies' annual reports.

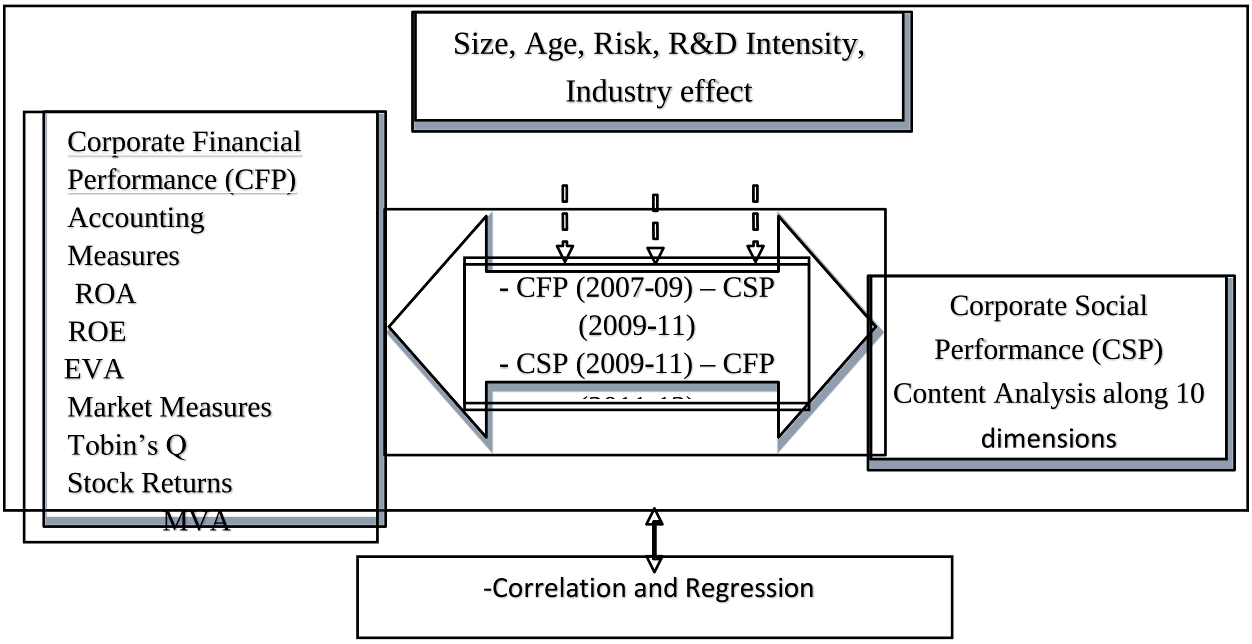

Figure No.1: Methodology used in the study

Source: Author's own

Measurement of CSR

The concept of CSR has broad range of dimensions. In the present study, in order to measure CSR, 'CSR Measurement Index covering an inventory of 95 items under ten dimensions, namely, Community Involvement, Human Resources, Environmental & Ecology, Energy, Relationship with Product & Customers, Relationship with Shareholders, Relationship with Suppliers, Diversity, Business Ethics & Fair Business Practices, and Government Relations & Aid in Economic Growth, relating to CSR has been developed. CSR dimensions and items under CSR Measurement Index are built on review of literature (Abbott & Monsen 1979; Brown 2001; Kapoor & Sandhu, 2010), scanning of annual reports of Infosys, Wipro, and Tata Group (as these companies are considered as the most admired ones in the survey conducted by Centre for Social Markets) (Brown 2001). Also, certain activities qualified under CSR which have been specified under Schedule VII of Companies Act, 2013 have been included in CSR Measurement Index. Then, the technique of content analysis has been applied on annual reports of companies to compute CSR scores to measure CSR. In the current study, the scoring procedure (for CSR measurement) is alike as adopted by Ernst & Ernst (1978), Abbott & Monsen (1979) and Kapoor & Sandhu (2010) according to which an item is scored one if disclosed and zero if not. All the CSR items have been given equal importance (that is, equal weights). Thus, the number of items adopted by a company has been computed by adding the score of each item as disclosed by it in its annual report. Thereafter, CSR has been measured in terms of CSR scores (in percentage) of the companies covered under study by the following formula:

$$\text{CSR score of a company (in percentage)} = \frac{\text{No. of CSR items adopted by a company}}{\text{Total no. of items in the CSR Measurement Index}} \times 100$$

Measurement of CFP

This study has used both accounting and stock-market-based measures to investigate the relationships between corporate financial performance and corporate social responsibility. Measures used in this study are-

Accounting Measures: Return on Equity (ROE), Return on Assets (ROA), Economic Value Added (EVA)

Market Measures: Market Value Added (MVA), Tobin's Q Ratio (TQ), Stock Returns (SR)

Research Methods

After measuring CSR in terms of CSR scores, an attempt was made to know the relationship between CSR and all the six financial performance variables (ROA, ROE, EVA, MVA, TQ, and SR) separately. To test existence of virtuous cycle between CSP and CFP, this study has used Pearson correlation analysis method, in line with previous researches (McGuire et al., 1988; Preston & O'Bannon, 1997; Yang et.al., 2010) and Cross-sectional regression analysis (Vance, 1975; McWilliams & Siegel, 2001; Yang et.al., 2010), to comprehend CSR to CFP link and its relational degree and direction. Correlation and Regression analysis have been done using SPSS 19 Statistical Software.

Existence of virtuous cycle between CSP and CFP has been tested before including control variables as well as after considering control variables such as size, risk, R&D intensity, age, and industry effect.

Before conducting statistical tests, Data Pre-Testing was done where the data set was screened for normality, multicollinearity, auto correlation, and heteroscedasticity.

Before considering control variables

The impact of previous CFP on latter CSP

To test first secondary null hypothesis HoS1, i.e., better corporate financial performance (CFP) does not result in better corporate social performance (CSP), corporate social performance in period 2 (2009-11) is regressed against different corporate financial performance measures in period 1 (2007-09), as shown in Eq. (1):

$$CSP_2=\beta_0+\beta_1 CFP_{ROA1}+\beta_2 CFP_{ROE1} + \beta_3 CFP_{EVA1} + \beta_4 CFP_{MVA1} + \beta_5 CFP_{TQ1} + \beta_6 CFP_{SR1} + \dot{\varepsilon} \qquad \text{Eq. (1)}$$

Correlation analysis

Pearson's correlation tells about the direction and intensity of the linear association between the two variables. The sign of the coefficient indicates the direction of the relationship and the magnitude indicates its strength. The correlation analysis results of the relationship between previous CFP and latter CSP have been shown in Table No. 2. As far as previous CFP and latter CSP are concerned, LnROA, LnROE, LnEVA, LnTQ, and LnMVA shows significant and positive correlation with latter CSP with Pearson correlation value (r) as 0.821, 0.785, 0.743, 0.519, and 0.364 respectively, significant at 0.01 level. However, LnSR and CSP show no significant correlation with r value as 0.070.

Table No. 2: Correlation Matrix

		CSP score	LnROA	LnROE	LnEVA	LnTQ	LnMVA	LnSR
CSP score	Pearson Correlation	1	0.821**	0.785**	0.743**	0.519**	0.364**	0.070
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.001	0.554
LnROA	Pearson Correlation	0.821**	1	0.892**	0.679**	0.569**	0.244*	0.027
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.036	0.822
LnROE	Pearson Correlation	0.785**	0.892**	1	0.684**	0.615**	0.316**	-0.010
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.006	0.929
LnEVA	Pearson Correlation	0.743**	0.679**	0.684**	1	0.469**	0.434**	-0.079
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000	0.502
LnTQ	Pearson Correlation	0.519**	0.569**	0.615**	0.469**	1	0.565**	0.158
	Sig. (2-	0.000	0.000	0.000	0.000		0.000	0.180

	tailed)							
LnMVA	Pearson Correlation	0.364^{**}	0.244^{*}	0.316^{**}	0.434^{**}	0.565^{**}	1	0.119
	Sig. (2-tailed)	0.001	0.036	0.006	0.000	0.000		0.311
LnSR	Pearson Correlation	0.070	0.027	-0.010	-0.079	0.158	0.119	1
	Sig. (2-tailed)	0.554	0.822	0.929	0.502	0.180	0.311	

**. Correlation is significant at the 0.01 level (2-tailed).*. Correlation is significant at the 0.05 level (2-tailed).

Regression analysis

The beta coefficients indicate the strength and sign of the relationship between being a CSR company and each one of the financial performance measures. The P-value indicates at what level the results are statistically significant. Typically, results are considered significant if the P-value is at the 5 percent significance level or less. The adjusted R-Square measures the regression's explanatory power after adjusting for number of predictors. F-value in ANOVA helps in determining whether we have a statistically significant difference between our group means. A small significance value of the F statistic ($P<0.05$) indicates that independent variables explain the variation of dependent variable well.

After using logarithm to the base-e (Ln) transformation to transform and fit the data to normal distribution, the regression equation is as follows:

$$CSP_2=\beta_0+\beta_1 CFP_{LnROA1}+\beta_2 CFP_{LnROE1} + \beta_3 CFP_{LnEVA1} + \beta_4 CFP_{LnMVA1} + \beta_5 CFP_{LnTQ1} + \beta_6 CFP_{LnSR1} + \dot{\varepsilon} \qquad \text{Eq. (2)}$$

The regression analysis results of the impact of previous CFP on latter CSP are shown in Table No.3.

Table No. 3: Results from multiple linear regression analysis using 2009-2011 CSP as dependent variable and 2007-2009 CFP as independent variable

Model	R	R Square	AdjustedR Square	Std. Error of the Estimate	Durbin-Watson	F	Sig.
1	0.891[a]	0.793	0.775	6.39390	1.699	42.896	.000[a]

Regression Coefficients[a]

Model 1	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-33.510	13.901		-2.411	0.019		
LnROA	8.880	2.330	0.393	3.812	0.000	0.290	3.447
LnROE	3.911	1.131	0.324	3.459	0.001	0.351	2.853
LnEVA	4.305	1.495	0.251	2.880	0.005	0.407	2.454
LnTQ	-1.517	1.899	-0.064	-0.799	0.427	0.474	2.109
LnMVA	1.142	0.611	0.131	1.868	0.066	0.622	1.606
LnSR	1.155	1.066	0.062	1.084	0.282	0.941	1.063

a. Dependent Variable: CSP score

Table No.3 shows that R squared (R2) is 0.793 which implies that 79.3 percentage of variation in CSP is explained by overall independent variables. From the ANOVA table, we can see that the significance level is less than 0.05 and, therefore, there is a statistically significant difference in between our group means, which means that the model is statistically significant. Regarding the impact of previous CFP on latter CSP, according to the above model, it is significant with LnROA, LnROE, and LnEVA as the financial measures (p value is smaller than 0.05). The Beta value for LnROA, LnROE, and LnEVA is 0.393, 0.324, and 0.251 respectively, meaning that for a one unit increase in LnROA, we would expect a 0.393-unit increase in CSP, for a one unit increase in LnROE, we would expect a 0.324-unit increase in CSP, and for a one unit increase in LnEVA, we would expect a 0.251-unit increase in CSP. However, the impact is not significant with respect to LnTQ, LnMVA, and LnSR as the measurement indicators (p value is greater than 0.05). It can thus be concluded that previous CFP is related to latter CSP with respect to accounting measures of financial performance and it is not related with respect to market-based measures. Based on the above results, first secondary null hypothesis H0S1 is partially rejected i.e., better corporate financial performance leads to better corporate social performance when financial performance is measured by accounting-based variables. In other words, the study partially supports Slack Resources theory, i.e., when a company has higher CFP; it does voluntarily feed back into the community.

The impact of previous CSP on latter CFP

In testing second secondary null hypothesis HoS2 i.e., better corporate social performance does not result in better corporate financial performance, CSP is treated as an independent variable and CFP as a dependent variable, i.e., corporate financial performance in period 3 (2011-13) is regressed against corporate social performance in period 2 (2009-11). Due to the six different measures of the variable CFP, six models have been used:

$CFP_{ROA3} = \beta_0+\beta_1CSP_2+\dot{\varepsilon}$ Eq. (3.1) $CFP_{ROE3} = \beta_0+\beta_1CSP_2+\dot{\varepsilon}$ Eq. (3.2)

$CFP_{EVA3} = \beta_0+\beta_1CSP_2+\dot{\varepsilon}$ Eq. (3.3) $CFP_{MVA3} = \beta_0+\beta_1CSP_2+\dot{\varepsilon}$ Eq. (3.4)

$CFP_{TQ3} = \beta_0+\beta_1CSP_2+\dot{\varepsilon}$ Eq. (3.5) $CFP_{SR3} = \beta_0+\beta_1CSP_2+\dot{\varepsilon}$ Eq. (3.6)

Correlation analysis

The correlation analysis results of the relationship between previous CSP and latter CFP are as shown in Table No. 4.

Table No. 4: Correlation Matrix

		CSP	LnROA	lnROE	LnEVA	lnTQ	LnMVA	LnSR
CSP	Pearson Correlation	1	0.656**	0.670**	0.515**	0.315**	0.220	0.081
	Sig. (2-tailed)		0.000	0.000	0.000	0.006	0.060	0.494
lnROA	Pearson Correlation	0.656**	1	0.870**	0.614**	0.557**	0.404**	0.113
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000	0.337
lnROE	Pearson Correlation	0.670**	0.870**	1	0.618**	0.568**	0.371**	0.129
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.001	0.275

LnEVA	Pearson Correlation	0.515**	0.614**	0.618**	1	0.434**	0.389**	0.033
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.001	0.781
LnTQ	Pearson Correlation	0.315**	0.557**	0.568**	0.434**	1	0.511**	0.506**
	Sig. (2-tailed)	0.006	0.000	0.000	0.000		0.000	0.000
LnMVA	Pearson Correlation	0.220	0.404**	0.371**	0.389**	0.511**	1	0.278*
	Sig. (2-tailed)	0.060	0.000	0.001	0.001	0.000		0.016
LnSR	Pearson Correlation	0.081	0.113	0.129	0.033	0.506**	0.278*	1
	Sig. (2-tailed)	0.494	0.337	0.275	0.781	0.000	0.016	

**. Correlation is significant at the 0.01 level (2-tailed) *. Correlation is significant at the 0.05 level (2-tailed).

From the table No. 4, we can perceive that the Pearson correlation value (r) for previous LnROA, LnROE, LnEVA, and LnTQ is 0.656, 0.670, 0.515, and 0.315 respectively, which is significant at 0.01. This implies that previous CFP is significantly and positively related to latter CSP. However, correlation of CSR with LnMVA (r=0.220) and LnSR (r=0.081) indicates positive correlation but the figure is very low to indicate any strength in relationship.

Regression analysis

After using logarithm to the base-e (Ln) transformation to transform and fit the data to normal distribution, the regression equations are as follows:

$CFP_{LnROE3} = \beta_0+\beta_1 CSP_2+\dot{\varepsilon}$ Eq. (4.1) $CFP_{LnROA3} = \beta_0+\beta_1 CSP_2+\dot{\varepsilon}$ Eq. (4.2)

$CFP_{LnEVA3} = \beta_0+\beta_1 CSP_2+\dot{\varepsilon}$ Eq. (4.3) $CFP_{LnMVA3} = \beta_0+\beta_1 CSP_2+\dot{\varepsilon}$ Eq. (4.4)

$CFP_{LnTQ3} = \beta_0+\beta_1 CSP_2+\dot{\varepsilon}$ Eq. (4.5) $CFP_{LnSR3} = \beta_0+\beta_1 CSP_2+\dot{\varepsilon}$ Eq. (4.6)

The regression analysis results of the impact of previous CSP on latter CFP are shown in Table No. 5.

Table No. 5: Results from multiple linear regression analysis using 2011-2013 CFP as dependent variable and 2009-2011 CSP as independent variable

		(Constant)	CSP	D-W	F- value
LnROA	Beta		0.656	1.717	54.529
	T	-0.176	7.384		
	Sig.	0.861	0		
LnROE	Beta		0.67	1.829	58.59
	T	-3.133	7.654		
	Sig.	0.003	0		
LnEVA	Beta		0.515	1.627	26.033
	T	13.22	5.102		
	Sig.	0	0		

LnMVA	Beta		0.22	2.026	3.65
	T	17.38	1.91		
	Sig.	0	0.06		
LnTQ	Beta		0.315	1.616	7.924
	T	-0.688	2.815		
	Sig.	0.494	0.006		
LnSR	Beta		-0.081	1.968	0.472
	T	33.8	-0.687		
	Sig.	0	0.494		

Four of these six models are statistically significant. LnROA, LnROE, LnEVA, and LnTQ in latter period (2011-13) can be predicted based on corporate social performance measured in previous period (2009-11). LnMVA and LnSR could not be significantly predicted on corporate social performance. In all significant models, corporate social performance has a positive impact on financial performance. A one unit increase in CSP is associated with a 0.656 increase in LnROA, a 0.670 increase in LnROE, a 0.515 increase in LnEVA, and a 0.315 increase in LnTQ. These findings provide evidence for the stakeholder theory; companies that perform better in terms of corporate social performance subsequently perform better in terms of corporate financial performance. Again, this relationship does not hold for MVA and SR. Based on these results, our second secondary null hypothesis HoS2is partly rejected, i.e., better corporate social performance results in better corporate financial performance when financial performance is measured by ROA, ROE, EVA, and TQ, which conceives that firms can benefit financially from CSR actions as a result of improved employee morale and productivity, and CSR considers all stakeholders and preserves the profitability of the firm. Our results are in conformity with the results of Preston & O‘Bannon (1997), Tsoutsoura (2004), Godfrey (2005), Kapoor & Sandhu (2010), and Yang et al. (2010).

Thus, we can say that before considering control variables, our primary null hypothesis H0P is partially rejected or in other words there is existence of virtuous cycle between CFP and CSP when CFP is measured through accounting-based measures.

After considering control variables

To test primary hypothesis i.e., whether there is existence of virtuous cycle between CSP and CFP after considering control variables such as size, risk, R&D intensity, age, and industry effect, this study has used Pearson correlation analysis method and Cross-sectional regression analysis to determine CSR to CFP relationship.

After considering Control Variables

The impact of previous CFP on latter CSP

To test first secondary null hypothesis, HoS1, i.e., better corporate financial performance does not result in better corporate social performance, corporate social performance in period 2 (2009-11) is regressed against different corporate financial performance measures in period 1 (2007-09), as shown in Eq. (5):

$CSP_2=\beta_0+\beta_1 CFP_{ROA1}+\beta_2 CFP_{ROE1} + \beta_3 CFP_{EVA1} + \beta_4 CFP_{MVA1} + \beta_5 CFP_{TQ1} + \beta_6 CFP_{SR1} +$

$\beta_7 RD_1 + \beta_8 SIZE_1 + \beta_9 RISK_1 + \beta_{10} AGE_1 + \beta_{11} IND_1 + \dot{\varepsilon}$ Eq. (5)

Correlation analysis

The statistical analysis results of correlation between previous CFP and latter CSP are as shown in Table No. 6. As far as previous CFP and latter CSP are concerned, LnROA (r=0.821), LnROE (r=0.785), LnEVA (r=0.743), LnTQ (r=0.519), and LnMVA (r=0.364) shows significant and positive correlation with latter CSP indicating that the social performance would be higher if the CFP is higher after consideration of control variables. However, LnSR and CSP, with r value as 0.070, show positive but insignificant correlation. CSP shows no correlation with any of the control variables which have been incorporated in the model.

Table No. 6: Correlation Matrix

		CSP	LnROA	LnROE	LnEVA	LnTQ	LnMVA	LnSR	LnAGE	LnRISK	LnRD	LnSIZE
CSPscore	Correlation	1	0.821**	0.785**	0.743**	0.519**	0.364**	0.070	0.168	-0.030	-0.211	0.004
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.001	0.554	0.152	0.800	0.072	0.973
LnROA	Correlation	0.821**	1	0.892**	0.679**	0.569**	0.244*	0.027	0.199	-0.018	-.433**	-0.111
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.036	0.822	0.090	0.878	0.000	0.350
LnROE	Correlation	0.785**	0.892**	1	0.684**	0.615**	0.316**	-0.010	0.240*	-0.201	-.357**	-0.042
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.006	0.929	0.039	0.086	0.002	0.727
LnEVA	Correlation	0.743**	0.679**	0.684**	1	0.469**	0.434**	-0.079	0.207	-0.075	-0.169	-0.017
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000	0.502	0.077	0.528	0.149	0.884
LnTQ	Correlation	0.519**	0.569**	0.615**	0.469**	1	0.565**	0.158	0.178	-.299**	-0.072	-.327**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		0.000	0.180	0.128	0.010	0.544	0.005
LnMVA	Correlation	0.364**	0.244*	0.316**	0.434**	0.565**	1	0.119	0.037	-0.227	0.070	0.157
	Sig. (2-tailed)	0.001	0.036	0.006	0.000	0.000		0.311	0.757	0.052	0.555	0.185
Ln	Correlation	0.070	0.027	-0.010	-0.079	0.158	0.119	1	-0.06	-0.027	0.110	0.093

	Sig. (2-tailed)	0.554	0.822	0.929	0.502	0.180	0.311		0.613	0.818	0.351	0.434
LnAGE	Correlation	0.168	0.199	0.240*	0.207	0.178	0.037	-0.060	1	0.101	-0.142	-0.015
	Sig. (2-tailed)	0.152	0.090	0.039	0.077	0.128	0.757	0.613		0.393	0.227	0.901
LnRISK	Correlation	-0.030	-0.018	-0.201	-0.075	-0.299**	-0.227	-0.027	0.101	1	-0.157	0.189
	Sig. (2-tailed)	0.800	0.878	0.086	0.528	0.010	0.052	0.818	0.393		0.181	0.110
LnRD	Correlation	-0.211	-0.433**	-0.357**	-0.169	-0.072	0.070	0.110	-0.142	-0.157	1	-0.050
	Sig. (2-tailed)	0.072	0.000	0.002	0.149	0.544	0.555	0.351	0.227	0.181		0.677
Unsized	Correlation	0.004	-0.111	-0.042	-0.017	-0.327**	0.157	0.093	-0.015	0.189	-0.050	1
	Sig. (2-tailed)	0.973	0.350	0.727	0.884	0.005	0.185	0.434	0.901	0.110	0.677	

**. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).

Regression analysis: After using logarithm to the base-e (Ln) transformation to transform and fit the data to normal distribution, the regression equation is as follows:

$$CSP_2=\beta_0+\beta_1 CFP_{LnROA1}+\beta_2 CFP_{LnROE1} + \beta_3 CFP_{LnEVA1} + \beta_4 CFP_{LnMVA1} + \beta_5 CFP_{LnTQ1} + \beta_6 CFP_{LnSR1} + \beta_7 LnRD_1 + \beta_8 LnSIZE_1 + \beta_9 LnRISK_1 + \beta_{10} LnAGE_1 + \beta_{11} IND_1\ \dot{\varepsilon} \qquad \text{Eq. (6)}$$

The regression analysis results of the impact of previous CFP on latter CSP are shown in Table No. 7. After controlling the R&D, age, leverage, and size of the company, the previous LnROA and LnEVA had a positive impact on latter CSP indicating that higher financial performance would produce higher social performance. This conclusion is in line with McWilliams & Siegel (2000). However, when using ROE, MVA, TQ, and SR to measure the CFP, the impact was not significant. This is consistent with Chan et al. (2001), and McWilliams & Siegel (2000), which stated that CSP was not correlated to CFP, after considering R&D. Based on the above results, first secondary null hypothesis H0S1 is partially rejected i.e., better corporate financial performance leads to better corporate social performance when financial performance is measured by ROA and EVA. Moreover, firm size is positively associated with social performance which implies that larger firms in India perform better in terms of corporate social responsibility. Thus, it can be concluded that firm size is a significant determinant of corporate social performance.

Table No. 7: Results from multiple linear regression analysis using 2009-2011 CSP as dependent variable and 2007-2009 CFP as independent variable

Model	R	R Square	Adjusted R Square	Std. Errorof the Estimate	Durbin-Watson	F	Sig.
1	0.892[a]	0.795	0.732	6.83362	2. 042	12.573	**0.000[a]**

Model 1	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	-88.495	31.942		-2.771	0.008		
LnROA	13.661	3.725	0.612	3.668	0.001	0.133	7.495
LnROE	2.176	4.328	0.090	0.503	0.617	0.117	8.562
LnEVA	2.596	0.914	0.275	2.841	0.006	0.397	2.516
LnTQ	-.218	2.650	-0.009	-0.082	0.935	0.287	3.487
LnMVA	.698	0.784	0.082	0.890	0.377	0.437	2.288
LnSR	.653	1.284	0.036	0.509	0.613	0.743	1.345
LnAGE	-.692	1.474	-0.034	-.469	0.641	0.699	1.431
LnRISK	2.151	2.467	0.070	0.872	0.387	0.573	1.747
LnRD	14.821	8.636	0.157	1.716	0.092	0.444	2.253
LnSIZE	11.690	11.744	0.497	3.095	0.003	0.391	2.560
D1	4.248	3.817	0.089	1.113	0.271	0.582	1.718
D2	-3.497	3.654	-0.073	-0.957	0.343	0.635	1.574

D3	1.426	3.925	0.039	0.363	0.718	0.324	3.083
D5	2.693	3.742	0.060	0.720	0.475	0.527	1.898
D6	-1.542	4.774	-0.039	-0.323	0.748	0.260	3.852
D7	-2.342	2.984	-0.068	-0.785	0.436	0.491	2.037
D8	-4.918	3.388	-0.123	-1.452	0.152	0.516	1.939

Impact of previous CSP on latter CFP

In testing second secondary null hypothesis HoS2 i.e., better corporate social performance does not result in better corporate financial performance, CFP in period 3 (2011-13) is regressed against CSP in period 2 (2009-11), as shown in following equations:

$$CFP_{ROA3} = \beta_0 + \beta_1 CSP_2 + \beta_2 RD_1 + \beta_3 SIZE_1 + \beta_4 RISK_1 + \beta_5 AGE_1 + \beta_6 IND_1 + \dot{\varepsilon} \quad \text{Eq. (7.1)}$$

$$CFP_{ROE3} = \beta_0 + \beta_1 CSP_2 + \beta_2 RD_1 + \beta_3 SIZE_1 + \beta_4 RISK_1 + \beta_5 AGE_1 + \beta_6 IND_1 + \dot{\varepsilon} \quad \text{Eq. (7.2)}$$

$$CFP_{EVA3} = \beta_0 + \beta_1 CSP_2 + \beta_2 RD_1 + \beta_3 SIZE_1 + \beta_4 RISK_1 + \beta_5 AGE_1 + \beta_6 IND_1 + \dot{\varepsilon} \quad \text{Eq. (7.3)}$$

$$CFP_{MVA3} = \beta_0 + \beta_1 CSP_2 + \beta_2 RD_1 + \beta_3 SIZE_1 + \beta_4 RISK_1 + \beta_5 AGE_1 + \beta_6 IND_1 + \dot{\varepsilon} \quad \text{Eq. (7.4)}$$

$$CFP_{TQ3} = \beta_0 + \beta_1 CSP_2 + \beta_2 RD_1 + \beta_3 SIZE_1 + \beta_4 RISK_1 + \beta_5 AGE_1 + \beta_6 IND_1 + \dot{\varepsilon} \quad \text{Eq. (7.5)}$$

$$CFP_{SR3} = \beta_0 + \beta_1 CSP_2 + \beta_2 RD_1 + \beta_3 SIZE_1 + \beta_4 RISK_1 + \beta_5 AGE_1 + \beta_6 IND_1 + \dot{\varepsilon} \quad \text{Eq. (7.6)}$$

Correlation analysis

After considering the control variables, the impact of previous CSP on latter CFP are as shown in Table No.8. From the table, we can perceive that previous CSP is significantly and positively related to latter CFP, when CFP is measured by LnROA (r=0.656), LnROE (r=0.670), LnEVA (r=0.515), LnMVA (r=0.315), and LnTQ (r=0.220). However, correlation of CSR with LnSR (r=0.081) indicates positive correlation but the figure is very low to indicate any strength in relationship.

Table No. 8: Correlation Matrix

		CSP	lnROA	lnROE	LnEVA	LnTQ	LnMVA	LnSR	LnAGE	LnRISK	LnSIZE	LnRD
CSP	Correlation	1	0.656**	0.670**	0.515**	0.315**	0.220**	0.081	0.232*	-0.023	0.162	-0.168
	Sig(2tailed)		0.000	0.000	0.000	0.006	0.016	0.494	0.047	0.846	0.167	0.153
RO	Correlation	0.656**	1	0.870**	0.614**	0.557**	0.404**	0.113	0.023	-0.067	0.127	-0.091
	Sig(2tailed)	0.000		0.000	0.000	0.000	0.000	0.337	0.848	0.570	0.282	0.439
RO	Correlation	0.670**	0.870**	1	0.618**	0.568**	0.371**	0.129	0.007	-0.348**	0.033	0.030
	Sig(2tailed)	0.000	0.000		0.000	0.000	0.001	0.275	0.956	0.002	0.780	0.799
EV	Correlation	0.515**	0.614**	0.618**	1	0.434**	0.389**	0.033	0.127	-0.097	0.288*	0.014
	Sig(2tailed)	0.000	0.000	0.000		0.000	0.001	0.781	0.280	0.413	0.013	0.903
Ln TQ	Correlation	0.315**	0.557**	0.568**	0.434**	1	0.511**	0.506**	0.067	-0.270*	-0.170	0.103
	Sig(2tailed)	0.006	0.000	0.000	0.000		0.000	0.000	0.568	0.020	0.148	0.381
MV	Correlation	0.220**	0.404**	0.371**	0.389**	0.511**	1	0.278*	-0.128	-0.121	-0.015	0.068
	Sig(2tailed)	0.016	0.000	0.001	0.001	0.000		0.016	0.277	0.303	0.897	0.563
Ln SR	Correlation	0.081	0.113	0.129	0.033	0.506**	0.278*	1	-0.019	-0.258*	-0.247*	0.192
	Sig(2tailed)	0.494	0.337	0.275	0.781	0.000	0.016		0.875	0.027	0.034	0.102
A	Correlation	0.232*	0.023	0.007	0.127	0.067	-0.128	-0.019	1	0.266*	0.077	-0.064
	Sig(2tailed)	0.047	0.848	0.956	0.280	0.568	0.277	0.875		0.022	0.513	0.589
RIS	Correlation	-0.023	-0.067	-0.348*	-0.097	-0.270*	-0.121	-0.258*	0.266*	1	0.159	-0.175
	Sig(2tailed)	0.846	0.570	0.002	0.413	0.020	0.303	0.027	0.022		0.177	0.137
SI	Correlation	0.162	0.127	0.033	0.288*	-0.170	-0.015	-0.247*	0.077	0.159	1	-0.089
	Sig(2tailed)	0.167	0.282	0.780	0.013	0.148	0.897	0.034	0.513	0.177		0.448
Ln RD	Correlation	-0.168	-0.091	0.030	0.014	0.103	0.068	0.192	-0.064	-0.175	-0.089	1
	Sig(2tailed)	0.153	0.439	0.799	0.903	0.381	0.563	0.102	0.589	0.137	0.448	

**. Correlation is significant at the 0.01 level (2-tailed). *. Correlation is significant at the 0.05 level (2-tailed).

Regression Analysis

After using logarithm to the base-e (Ln) transformation to transform and fit the data to normal distribution, the regression equations are as follows:

$$CFP_{LnROE3}=\beta_0+\beta_1CSP_2+\beta_2LnRD_1+\beta_3LnSIZE_1+\beta_4LnRISK_1+\beta_5LnAGE_1+\beta_6IND_1+\dot{\varepsilon} \quad (8.1)$$

$$CFP_{LnROA3}=\beta_0+\beta_1CSP_2+\beta_2LnRD_1+\beta_3LnSIZE_1+\beta_4LnRISK_1+\beta_5LnAGE_1+\beta_6IND_1+\dot{\varepsilon} \quad (8.2)$$

$$CFP_{LnEVA3}=\beta_0+\beta_1CSP_2+\beta_2LnRD_1+\beta_3LnSIZE_1+\beta_4LnRISK_1+\beta_5LnAGE_1+\beta_6IND_1+\dot{\varepsilon} \quad (8.3)$$

$$CFP_{LnMVA3}=\beta_0+\beta_1CSP_2+\beta_2LnRD_1+\beta_3LnSIZE_1+\beta_4LnRISK_1+\beta_5LnAGE_1+\beta_6IND_1+\dot{\varepsilon} \quad (8.4)$$

$$CFP_{LnTQ3}=\beta_0+\beta_1CSP_2+\beta_2LnRD_1+\beta_3LnSIZE_1+\beta_4LnRISK_1+\beta_5LnAGE_1+\beta_6IND_1+\dot{\varepsilon} \quad (8.5)$$

$$CFP_{LnSR3}=\beta_0+\beta_1CSP_2+\beta_2LnRD_1+\beta_3LnSIZE_1+\beta_4LnRISK_1+\beta_5LnAGE_1+\beta_6IND_1+\dot{\varepsilon} \quad (8.6)$$

The regression analysis results of the impact of previous CSP on latter CFP are shown in Table No.9.

Five of these six models are statistically significant. LnROA, LnROE, LnEVA, LnMVA, and LnTQ in latter period (2011-13) can be predicted based on corporate social performance measured in previous period (2009-11) i.e., corporate social performance impacts significantly on subsequent LnROA, LnROE, LnEVA, LnMVA, and LnTQ. However, corporate social performance does not have a significant effect on subsequent LnSR. In all significant models, corporate social performance has a positive impact on financial performance. These findings provide evidence for the stakeholder theory; companies that perform better in terms of corporate social performance subsequently perform better in terms of corporate financial performance.

Table No. 9: Results from multiple linear regression analysis using 2011-2013 LnROA as dependent variable and 2009-2011 CSP as independent variable

	Beta	T	Sig.	Beta	T	Sig.	Beta	T	Sig.	Beta	T	Sig.	Beta	T	Sig.	Beta	T	Sig.
(Constant)		0.244	0.808		0.013	0.99		0.144	0.886		2.771	0.007		1.659	0.102		7.516	0
CSP	0.642	5.852	0.00	0.613	6.479	0.00	0.45	3.757	0.00	0.269	2.001	0.049	0.352	3.057	0.003	-0.101	-0.876	0.385
LnAGE	-0.17	-1.6	0.115	-0.111	-1.213	0.23	0.026	0.223	0.825	-0.104	-0.788	0.434	0.021	0.187	0.852	0.093	0.828	0.411
LnRISK	0.031	0.291	0.772	-0.237	-2.598	0.012	-0.056	-0.485	0.063	-0.026	-0.195	0.846	-0.194	-2.149	0.045	-0.176	-1.58	0.119
LnSIZE	0.018	0.178	0.859	-0.011	-0.131	0.896	0.181	1.635	0.107	-0.051	-0.405	0.687	-0.203	-1.909	0.061	0.217	2.034	0.046
LnRD	-0.078	-0.628	0.532	0.017	0.159	0.874	0.096	0.706	0.483	0.043	0.281	0.779	-0.053	-0.408	0.685	0.028	0.215	0.831
D1	0.099	0.906	0.368	0.083	0.878	0.384	0.129	1.077	0.286	0.262	1.934	0.058	0.177	1.547	0.127	0.36	3.137	0.003
D2	0.074	0.674	0.503	0.022	0.233	0.816	0.178	1.481	0.144	0.171	1.259	0.213	0.297	2.581	0.012	0.282	2.447	0.017
D3	0.116	0.996	0.323	0.088	0.878	0.383	0.078	0.614	0.542	0.309	2.145	0.036	0.434	3.555	0.001	0.62	5.068	0
D4	0.058	0.456	0.65	0.022	0.203	0.84	0.191	1.382	0.172	0.183	1.165	0.249	0.065	0.49	0.626	0.235	1.763	0.083
D5	0.105	0.89	0.377	0.141	1.384	0.171	0.132	1.021	0.311	0.282	1.923	0.059	0.141	1.132	0.262	0.363	2.916	0.005
D6	0.184	1.287	0.203	0.115	0.935	0.354	0.077	0.493	0.624	0.27	1.523	0.133	0.454	3.023	0.004	0.459	3.051	0.003
D8	-0.051	-0.407	0.686	-0.132	-1.214	0.229	-0.02	-0.145	0.885	0.333	2.135	0.037	0.206	1.562	0.123	0.342	2.587	0.012
R2		0.483			0.616			0.383			0.207			0.431			0.43	
DW		1.793			1.832			1.721			2.068			1.851			2.315	
F		4.755	0.00*		8.151	0.00*		3.149	0.002		1.329	0.006		3.856	0		3.834	0

On the basis of these results, our second secondary null hypothesis HoS2 is rejected, i.e., better corporate social performance results in better corporate financial performance when financial performance is measured by ROA, ROE, EVA, MVA, and SR, which proves that firms can benefit financially from CSR actions as a result of improved employee morale and productivity, and CSR considers all stakeholders and preserves the profitability of the firm. Our results are in conformity with the results of Preston & O'Bannon (1997), Tsoutsoura (2004), Godfrey (2005), Kapoor & Sandhu (2010), Yang et al. (2010). Additionally, it can be seen that risk is positively related to subsequent financial performance when financial performance is measured by ROE and MVA which implies that more risk is associated with higher returns.

Taken together, the results suggest a virtuous cycle between corporate social responsibility and corporate financial performance. Better CFP leads to better CSP which in turn enhances financial performance. Thus, we can say that our first primary null hypothesis H0P is partially rejected or in other words there is existence of virtuous cycle between CFP and CSP when CFP is measured ROA and EVA.

CONCLUSIONS

Over the last four decades, extensive academic research has been conducted investigating relationship between CSR and Financial performance. However, the results of these studies were diverse and uncertain due to differences in research methodology, inappropriate measures of CSP and CFP and large number of factors affecting the relationship.

This paper has investigated the relationship between corporate social responsibility and financial performance by considering the possibility of a virtuous cycle between them.

The results of our study conclude that previous CFP is positively related to latter CSP with respect to accounting measures of financial performance thereby supporting Slack Resources theory, i.e., better financial performance leads to increase in social performance. In other words, when a company has higher CFP; it does voluntarily feed back into the community. Also, previous CSP is positively and significantly related to latter CFP by providing evidence for the stakeholder theory; companies that perform better in terms of corporate social performance subsequently perform better in terms of corporate financial performance. On the basis of this, we can conclude that there is existence of virtuous cycle between CSP and CFP when CFP is measured by accounting measures.

Even after considering variables like size, risk, age, R&D intensity, and industry effects, this study has demonstrated existence of virtuous cycle between the two variables when CFP is measured by ROA and EVA.

Possible Reasons for Positive Relationship between CSP and CFP

Our findings indicate that fulfilling CSR does not necessarily conflict with the objective of maximizing firm value. On the contrary, it indicates a positive and significant association between corporate social responsibility and corporate financial performance. The probable reasons for positive relationship between the two variables are as follows:

- Cost saving
- Employee recruitment, motivation, and retention
- Reputation and brand management

- Risk management
- Customer Satisfaction
- Competitiveness and market positioning
- Investor relations and access to capital
- Public relation benefits

Recommendations

Contrary to the belief that Social Costs are merely drain on the corporations, the findings of the study reveal that, in reality, expenditures on social initiatives helps in enhancing the financial performance of the companies. On the basis of our findings, this study provides following recommendations for different stakeholders:

- **Management**: Management should devote resources in CSR activities as it helps in achieving high reputation and brand value, dedicated and motivated employees, costs savings, access to finance, and many more, thereby enhancing financial performance of the company. CSR activities also affect customers' satisfaction levels, which ultimately leads to higher financial performance. For managers, this implies that creating customer satisfaction is a significant intermediate move in transforming CSR into financial reward.
- **Investors**: Due to increasing awareness and consciousness among investors, the concept of socially responsible investing is gaining momentum. Investors should invest in socially responsible companies as such companies have scope for perpetual growth.
- **Government**: Due to increasing social disclosure by corporations on their websites and annual reports, it is recommended that Government should adopt certain methods to monitor corporations' investment in social activities so as to serve as motivation for their commitment in CSR and also to circumvent some immoral managers who report overstated costs on accounts for social activities to avert/reduce tax liability, without actually giving anything back to the society. Government should also undertake effective initiatives to ensure successful implementation of CSR initiatives.
- **Corporations**: Corporations should incorporate CSR into their strategic decision-making process in order to build good reputation and to achieve competitive advantage. CSR should not be considered as an optional activity rather it should be integrated with core corporate strategy like other business issues which would overlay a roadmap for a company's sustainable growth.

From a widespread perspective, this study reveals an important and significant characteristic of CSR: everybody wins— shareholders, workforce, customers, environment, and community at large.

SCOPE FOR FURTHER RESEARCH

Even after many studies in this area, still there is ample scope for further research. This may be due to differences in the variables used for measuring CSP and CFP, time horizon, sample size, number of CSP and CFP variables, etc. A common model of measuring CSP variables needs to be developed pertaining to the Indian market, so that it is easy to measure and understand the link between CSP and CFP.

REFERENCES

Abbott, W. F., & Monsen, R. (1979). On the measurement of corporate social responsibility: Self-reported disclosure as a measure of corporate social involvement. *Academy of Management Journal,* 22(3), 501-515.

Ahmadi, E. (2014). *The relationship between Corporate Social Responsibility and Corporate Financial Performance*. (Doctoral Thesis, University of Tilburg).

Bird, R., Casavecchia, L., & Reggiani, F. (2006). Corporate Social Responsibility and Corporate Performance: Where to Begin?. *University of Technology, Sydney Bocconi University, Milan*, 1-38.

Bowen, H. R. (1953). *Social Responsibilities of the Businessman.* NY: Harper & Row.

Brown, K. (2001). Corporate Social Responsibility: Perceptions of Indian Business. in M. Mehra (ed.), Calcutta: Centre for Social Markets.

Carroll, A.B. (1979). A three-dimensional conceptual model of corporate social performance. *Academy of Management Review,* 4(4), 497–505.

Choi, J. S., Kwak, Y. M., & Choe, C. (2010). Corporate social responsibility and corporate financial performance: Evidence from Korea. *Australian Journal of Management*, 35(3), 291-311.

Ernst & Ernst. (1978). *Social Responsibility Disclosure: Survey of Fortune 500 Annual Reports*. Cleveland, OH: Ernst & Ernst.

Fauzi, H., & Idris, K. (2009). The relationship of CSR and financial performance: New evidence from Indonesian companies. *Issues in Social and Environmental Accounting,* 3(1), 66-87.

Friedman, M. (1970). The social responsibility of business is to increase its profits. *New York Times Magazine,* 32(13), 122-126.

Godfrey, P. C. (2005). The relationship between corporate philanthropy and shareholder wealth: A risk management perspective. *The Academy of Management Review,*30(4*)*, 777-798.

Gossling, T., & Vocht, C. (2007). Social Role Conceptions and CSR Policy Success. *Journal of Business Ethics*, 47(4), 363-372.

Guney, Y., & Schilke, A. R. (2010). The relationship between corporate social and financial performance: Do endogeneity, non-linearity and adjustment issues matter?. FMA European Conference, Hamburg.

Halme, M., & Laurila, J. (2009). Philanthropy, integration or innovation? Exploring the financial and societal outcomes of different types of corporate responsibility. *Journal of Business Ethics*, 84(3), 325-339.

Hamid, F. Z. A., & Atan, R. (2011). Corporate social responsibility by the Malaysian telecommunication firms. *International Journal of Business and Social Science,* 2(5), 198-208.

Jones, T. M. (1995). Instrumental stakeholder theory: a synthesis of ethics and economics. *Academy of Management Review,* 20(2), 404-437.

Kapoor, S., & Sandhu, H. S. (2010). Does it pay to be socially responsible? An empirical examination of impact of corporate social responsibility on financial performance. *GlobalBusiness Review,*11(2), 185-208.

Margolis, J. D., & Walsh, J. P. (2003). Misery loves companies: rethinking social initiatives by business. *Administrative Science Quarterly*, 48(2), 268-305.

McGuire, J. B., Sundgren, A., & Schneeweis, T. (1988). Corporate Social Responsibility and Firm Financial Performance. *The Academy of Management Journal*, 31(4), 854- 872.

McWilliams, A., & Siegel, D. (2000). Corporate social responsibility and financial performance: correlation or misspecification?. *Strategic Management Journal,* 21(5),

603-609.
McWilliams, A. & Siegel, D. (2001). Corporate social responsibility: A theory of the firm perspective. *Academy of Management Review*, 26(1), 117-127.
Ministry of Corporate Affairs. (2013). The Companies Act 2013. MCA, Government of India.
Nelling, E., & Webb, E. (2009). Corporate social responsibility and financial performance: the virtuous circle revisited. *Review of Quantitative Finance and Accounting,* 32(2), 197-209.
Preston, L. E., & O'Bannon, D. P. (1997). The corporate social-financial performance relationship. A typology and analysis. *Business and Society*, 36(4), 419-429.
Russo, M.V., & Fouts, P.A. (1997). A resource-based perspective on corporateenvironmental performance and profitability. *Academy of Management Journal*, 40(3), 534-559.
Scholtens, B. (2008). A Note on the Interaction between Corporate Social Responsibility and Financial Performance. *Ecological Economics*,68(1), 46-55.
Seifert, B., Morris, S. A., & Bartkus, B. R. (2003). Comparing big givers and small givers: Financial correlates of corporate philanthropy. *Journal of Business Ethics*, 45(3), 195-211.
Seifert, B., Morris, S. A., & Bartkus, B. R. (2004). Having, giving, and getting: Slack resources, corporate philanthropy, and firm financial performance. *Business and Society*,43(2), 135-161.
Surroca, J., Tribó, J. A., & Waddock, S. (2009). Corporate responsibility and financial performance: the role of intangible resources. *Strategic Management Journal*, 31(5), 463-490.
Tsoutsoura, M. (2004). *Corporate social responsibility and financial performance* (Working Paper series). Center for Responsible Business, Haas School of Business, University of California.
Waddock, S. A., & Graves, S. B. (1997). The Corporate Social Performance-financial Performance Link. *Strategic Management Journal*,18(4), 303-319.
Wissink, R. B. A. (2012). *A test of the virtuous cycle of corporate social responsibility: testing the relation between corporate social performance and corporate financial performance* (Doctoral Thesis, University of Twente).
Yang, F., Lin, C., & Chang, Y. (2010). The linkage between Corporate Social Performance and Corporate Financial Performance. *African Journal of Business Management*, 4(4), 406-413.
Youssef, A., & Hamza, H. (2014). Testing the Mutual Relationship between Corporate Social Performance and Financial Performance: Case of the Listed Egyptian Companies. *International Research Journal of Applied Finance,* 5(5), 664-683.

INTEGRATING A WHISTLEBLOWING MECHANISM - COMMITMENT OF TOP MANAGEMENT

Shivani Abrol[1], Swati Aggarwal[2], Mukesh Kumar Jain[3]

Effective whistleblowing mechanisms should be trustworthy and secure, allowing employees to report malfeasance without hesitation. In establishing a whistle-blower policy, various factors must be considered, including confidentiality of the perpetrator's identity, safeguarding of whistle-blowers, training of ethical programmes, management commitment and responsiveness to the complaint. Therefore, this study aimed to investigate these aspects of Indian corporates' whistleblowing policies. The study based on 161 auditors, HR managers, executives, and company secretaries, among others, determined that Corporate India has a recognised mechanism for reporting unethical behaviour that provides the optimal environment for preventing malfeasance and ensuring operational transparency.

Keywords: *Whistle-blower Policy, Whistle-blower, Management Commitment, Anonymity, Non-Retaliation*

INTRODUCTION

Over the years, more and more corporate scandals have brought more attention to the issue of whistleblowing. A company should focus on institutional whistleblowing processes and motivate employees to disclose malfeasance to reduce risk exposures and safeguard shareholders' interests. The written policy of an organisation demonstrates its commitment to an effective and transparent whistleblowing system. Incorporating a programme requires creating a culture of adherence throughout an organisation and resolving complaints effectively with the support of senior management. Therefore, any complaints from whistle-blowers must be thoroughly evaluated and examined, and the informants must be properly informed of the investigation's progress. If organisations integrate reporting of malfeasance into their work culture and respond appropriately to complaints, not only the whistleblowing mechanism's strength is multiplied, but the primary objective of fraud prevention is also achieved. The entire system's credibility is enhanced by a combination of corporate culture and appropriate training. The potential benefits of implementing a whistle-blower system will motivate corporations to ensure that the reporting mechanism is incorporated into their work culture. The effective implementation of a whistleblowing mechanism depends on several factors, such as the style of leadership, the mechanism's accessibility, knowledge and awareness of its proper use, timely training, and a well-planned workflow for handling complaints. A failure at any point of implementation typically results in a cumbersome and inefficient system. The entire notion of whistle-blower programmes rests around the reality that employees or stakeholders observe and expose unethical and illegal behaviour at the workplace. The employee could be

[1]Associate Professor, Department of Commerce, Zakir Husain Delhi College
[2]Associate Professor, Department of Commerce, Zakir Husain Delhi College
[3]Professor, Department of Commerce, Zakir Husain Delhi College

able to expose the situation to the upper management or personnel designated to handle such matters, without fear of retaliation or harassment. Many employees may not even consider bursting the alarm out of fear of retaliation and the possibility of losing their employment and social connections. Law provides some protection, but organisations should establish and implement whistleblowing mechanisms that include safeguards against victimisation for those who disclose corruption and unethical activities. Leading corporations have implemented a zero-tolerance policy for retaliation against whistle-blowers rather than allowing fear to impede their anti-fraud activities. A reliable reporting system instils employee confidence, increases whistle-blowers' integrity and efficacy, and is essential to designing and implementing a successful whistle-blower policy. It is essential for the efficacy of the system for reporting wrongdoing that the results of the complaints' investigations are communicated to the employees. This would discourage potential breachers from using unethical and unlawful methods. The response of management would also impact the perception of acceptable ethical conduct in a corporation. If the managers fail to effectively follow up on any tips provided by an employee, then employees in the organisation may disregard their duty to report malfeasance because it may be futile.

REVIEW OF LITERATURE

Numerous researchers have attempted to determine the extent to which the management's response to the information and complaints reported by the whistle-blower influences the employees' decision to blow the whistle.

In their study, Taylor and Curtis (2013) investigated whether the organisation's response to reports of wrongdoing influences the propensity to come forward. Based on information gathered from 160 senior-level auditors, the study concluded that when an organisation's reaction to reports of wrongdoing is robust, witnesses are more inclined to report to supervisors than peers. Wainberg and Perreault (2013) examined the effect of specified protections on the reporting behaviour of whistle-blowers. Despite the growing number of legal protections for whistle-blowers, fear of retaliation is the top reason individuals do not report misconduct. In the context of auditing, they experimented and discovered that a prominent anti-retaliation policy may reduce reporting intentions since it magnifies the visibility of retaliatory threats. Robinson et.al. in their study proved that to deter future fraudsters from perpetrating acts of dishonesty, a sufficient response by the management, such as imposing severe charges and safeguarding the tipsters from retaliation, should serve as a message to the perpetrators. Through a survey of 240 trainee auditors, Brennan and Kelly (2007) discovered that formal mechanisms for reporting positively correlate with employees' reporting intent. Training provided by organisations to use the formal mechanism boosts the trust of employees while reporting. Another study on whistleblowing methods in India's corporate sector revealed that whistleblowing is vital to the improvement of corporate governance inside any organisation. According to the findings of the study, companies need to ensure that whistle-blowers can respond and speak out against illegal actions in a positive and supportive atmosphere (Sunitha, 2017). In another study, it was recommended that whistle-blower protection is the key to persuading employees to uncover and expose fraudulent activities within an organisation and that whistleblowing mechanisms are only effective with the management's support.

Legal Mechanism of Whistle Blowing in India

The Companies Act 2013 section 177 (9) provides that "every public listed company or such class or classes of companies, as may be prescribed, shall establish a vigil mechanism for directors and employees to report genuine concerns. Moreover, the vigil mechanism must provide reasonable protections against victimisation of those who use it and direct access to the head of the Audit Committee in appropriate or extraordinary circumstances" (Ministry of Corporate Affairs). **The Security Exchange Board of India** through clause 49 of the SEBI's equity listing has mandated that every listed company establish a vigil mechanism and implement a whistle-blower policy. The clause also requires all companies to guarantee that their employees are informed of the policy to report any wrongdoing, fraud, corruption, or any sensitive information. Moreover, companies should take all necessary precautions to protect complainants from harassment and mistreatment (https://www.sebi.gov.in). To promote the practice of corporate governance among Indian corporations, the ministry of corporate affairs issued an order requiring all listed companies to disclose all whistle-blower complaints to the auditor and to include this information in the report produced by the auditor.

RESEARCH QUESTIONS AND OBJECTIVES

The study will address the following research questions based on the review of the relevant literature and analysis of the research gaps that have been identified.

1. Do the organisations adhere to the policy of keeping the identity of the individual anonymous or confidential who lodges a complaint or grievance via the formal mechanism or system for reporting complaints, misconduct, or grievances?

2. Do the organisations genuinely have a policy prohibiting retaliation against persons who use the formal procedure or system to lodge complaints, report inappropriate behaviour, or file grievances?

3. Do the organisations communicate the outcome of complaints made via the formal procedure or system for reporting complaints, misconduct, or grievances to its employees?

4. How frequently do organisations train employees on how to properly use the formal mechanism or system for reporting complaints, wrongdoing, or grievances?

To accomplish the aforementioned research questions, the main objective of this paper is to assess how committed the management is to establishing an effective formal procedure or system for reporting complaints, misbehaviour, or grievances in their organisation.

Hypotheses of the Study

The following hypotheses are examined to ascertain management's commitment to embedding a formal mechanism for reporting complaints, misconduct, and fraud.

H1: The more frequently employees are trained on how to use the formal mechanism or system for reporting complaints, misconduct, or grievances, the greater their intention of whistleblowing.

H2: The more responsive and committed management is to establish an effective formal mechanism or system for reporting complaints, misconduct, or grievances, the greater the intention of employees to whistle-blow.

RESEARCH METHODOLOGY

The research is based on the primary data gathered through the questionnaires sent via LinkedIn to auditors, HR managers, executives, and company secretaries, among others. The survey was distributed to approximately 500 respondents over three months. The data analysis was conducted using 161 completed questionnaires. There were 30 women and 131 men among the 161 respondents. Respondents range in age from 20 to 40, with an average tenure of ten years in their current position. Those who participated in the survey were asked questions about the process owner, investigation, and the communication of the outcome of complaints to determine how serious the management is about implementing the formal mechanism for reporting complaints and malpractices.

Statistical Tools

Percentage based analysis, Spearman Rank Correlation, and Kruskal Wallis test are used for statistical data analysis through SPSS 20.

Data analysis revealed that 135 (84 percent) of the respondents acknowledged that their organisation had a whistle-blower policy, while only 5 percent were unsure whether formal processes exist or not. The data collection results are summarised in Table 1.

Table 1: Elements of Whistle-blower Policy

Elements of Whistle-blower Policy		No. of Respondents	Percentage
Process owner of vigil mechanism	Audit Committee	31	23%
	CEO or Managing Director	21	16%
	Ethics Committee	38	28%
	Corporate Governance Department	19	14%
	Independent Ombudsman/ Official	11	8%
	Others	15	11%
Who decides further investigation?	CEO or Managing Director	30	15%
	Audit Committee	42	21%
	Forensic Audit Team	7	4%
	Ethics Committee	45	23%
	Independent Ombudsman/ Official	15	8%
	Corporate Governance Department	21	11%

	Board of Directors	12	6%
	Senior Managerial	22	10%
	Others	5	1%
Investigation of complaint	Internal Audit	49	28%
	Dedicated investigating team	78	46%
	Third-party service provider	18	11%
	Forensic Audit Team	16	9%
	Others	11	6%
Outcomes of investigation shared with employees	Yes	102	76%
	No	32	24%
Anonymity/ Confidentiality	Yes	127	94%
	No	8	6%
Non-Retaliation	Yes	87	64%
	No	12	9%
	Maybe	36	27%
Training to use vigil mechanism	Yes	103	76%
	No	32	24%
	Once a year	57	55%
	Twice a year	16	16%
	More than twice a year	30	29%

Source: Compiled from the primary data

The data analysis shows that in most companies, the ethics committee is the process owner of the vigil mechanism and decides whether the complaint received through the formal mechanism required further investigation or not. In contrast, establishing a vigil mechanism is the responsibility of either the audit committee, CEO, or Managing director of the company. From Table 1 it is apparent that in around fifty percent of companies, the investigation of the complaint is conducted by a dedicated investigating team, and in very few instances, the services of a third party are sought.

Regarding sharing investigation results with employees, it has been determined that in more than three-quarters of companies, investigation results are shared with employees. The respondents confirmed that the communication is either limited to complainants and other associated parties, or is disseminated among employees via emails highlighting such issues while concealing the sender's identity. It is indicated from the collected data that the companies strictly adhere to the anonymity or confidentiality agreement of the complainant. Concerning non-retaliation policy, however, 27 percent of respondents are unsure whether or not their organisation implements such a policy. This demonstrates that these respondents lack confidence in management. The majority of respondents confirm that they have received training to make them aware of the vigil mechanism and to educate them on how to report through the formal mechanism. The company may deliver such training annually; twice a year; or more than twice a year.

Table 2: Kruskal Wallis Test Result

Hypothesis Test Summary

	Null Hypothesis	Test	Sig.	Decision
1	The distribution of Whistleblowing_intention is the same across categories of Training_frequency.	Independent-Samples Kruskal-Wallis Test	.524	Retain the null hypothesis.

Asymptotic significances are displayed. The significance level is .05.

As shown in Table 2, the Kruskal-Wallis test findings do not support hypothesis H1. This indicates that the frequency with which employees receive training on how to use the formal method or system for reporting complaints, wrongdoing, or grievances does not affect their desire to blow the whistle.

Table 3: Spearman Rank Correlation Result

<table>
<tr><td></td><td>Mean</td><td rowspan="4">5- point Likert Scale</td></tr>
<tr><td>Whistleblowing Intention</td><td>4.1037</td></tr>
<tr><td>Management Responsiveness</td><td>4.1111</td></tr>
<tr><td>Management Seriousness</td><td>4.2074</td></tr>
</table>

<table>
<tr><td colspan="3"></td><td>Management responsiveness</td><td>Management Seriousness</td></tr>
<tr><td rowspan="3">Spearman's rho</td><td rowspan="3">Whistleblowing intention</td><td>Correlation Coefficient</td><td>0.782**</td><td>0.786**</td></tr>
<tr><td>Sig. (2-tailed)</td><td>0</td><td>0</td></tr>
<tr><td>N</td><td>135</td><td>135</td></tr>
<tr><td colspan="5">**. Correlation is significant at the 0.01 level (2-tailed).</td></tr>
<tr><td colspan="5">Source: Compiled from the primary data</td></tr>
</table>

According to Spearman rank correlation, management responsiveness, and seriousness are substantially positively connected with whistle-blowers' intent. The finding supports the acceptance of hypothesis H2. The greater the responsiveness and commitment of management to build an effective formal procedure or system for reporting complaints, wrongdoing, or grievances, the more likely employees are to blow the whistle.

CONCLUSION

Corporate India has a recognized mechanism for reporting unethical behaviour, and corporations do provide the best possible environment for preventing unethical behaviour and ensuring operational transparency. Moreover, the legal framework in India protects against the victimisation of complainants. This study demonstrated that corporations are taking all essential efforts to safeguard complainants from harassment and mistreatment. The study found that about 30% of respondents lack trust in management's commitment to non-retaliation. Corporate entities have a greater responsibility to guarantee employee confidence that their organisations provide a safe and welcoming environment for whistle-blowers to respond while protecting them from retaliation. For things to occur and produce good outcomes, a threat-free atmosphere is necessary. Implementing a strategy requires developing a culture of integrity throughout an organisation and successfully managing grievances with the endorsement of top management. The investigation reveals that the whistleblowing mechanism is only successful with the support and strength of the management. It is also disclosed that the organisations have a supportive environment, and in collaboration and cooperation with the employees working to provide a conducive environment for whistle-blowers. If corporations incorporate reporting of wrongdoing into their work culture and respond effectively to complaints, the efficacy of the whistleblowing mechanism is enhanced.

REFERENCES

Brennan, N. & Kelly, J. (2007). A Study of Whistleblowing Among Trainee Auditors. *The British Accounting Review*, 39(1), 61-87

Clements, L. H. and Shawver, T. J., (2009). Whistleblowing Intentions of Accounting Professionals, *Journal of Business Disciplines*, 10 (1), 85-101

Deloitte. (2014). Whistleblower Survey. Retrieved from https://www.2.deloitte.com

Department for Business, Innovation and Skills. (2015). *Whistleblowing Guidance for Employers and Code of Practice.* Retrieved from https://assets.publishing.service.gov.uk

Kastiel, K. (2014). Elements of an Effective Whistleblower Hotline. *Harvard Law School Forum on Corporate Governance.* Retrieved from https://corpgov.law.harvard.edu

Lee, G. & Fargher, N. (2013). Companies' Use of Whistle-Blowing to Detect Fraud: An Examination of Corporate Whistle-Blowing Policies. *Journal of Business Ethics*, 114(2), 283-295

Mela, F. N..; Zarefar, A.; Andreas. (2015). The Relationship of Professional Commitment of Auditing Student and Anticipatory Socialization towards Whistleblowing Intention. *3rd Global Conference on Business and Social Science*, 507-512

Ministry of Corporate Affairs. (2019). Companies Act 2013. Retrieved from https://www.mca.gov.in

PwC. (2012). Whistle blowing-Effective Means to Combat Economic Crime. Retrieved from https://www.pwc.in

Roberts, P.; Brown, A. J.; Olsen, J. (2011). *Whistling While They Work: A good practice guide for managing internal reporting of wrongdoing in public sector organisations.* ANU Press

Robinson, S. N.; Robertson, J. C.; Curtis, M. B. (2012). The Effects of Contextual and Wrongdoing Attributes on Organizational Employees' Whistleblowing Intentions Following Fraud. *Journal of Business Ethics*, 106(2), 213-227

SEBI. Clause 49 of Listing Agreement. Retrieved from https://www.sebi.gov.in

Sunitha, S. (2017). A Study on Whistle Blowing Mechanism in Corporate India. *Journal of Business & Management*, 23-30

Taylor, E. Z.; Curtis, M. B. (2013). Whistleblowing in Audit Firms: Organizational Response and Power Distance. *Behavioral Research in Accounting*, 25 (2): 21–43.

Vandekerckhove, W. (2016). *Checkmate to corruption: Making the case for a wide-ranging initiative on whistleblower protection*. Public Service International

Wainberg, J. & Perreault, S. (2013). Whistleblowing in Audit Firms: Do Explicit Protections from Retaliation Activate Implicit Threats of Reprisal?. *Behavioral Research in Accounting,* Vol. 28(1), 83-93.

RIGHT TO DISCONNECT: A WAY TO MAINTAIN WORK-LIFE BALANCE

Shikha Garg[1]

The purpose of this paper is to examine the importance of right to disconnect in maintaining a work-life balance. A structured and non-disguised questionnaire was constructed which was used for eliciting information and data from the respondents. It was found that office communications received by the employees in out-of-office hours generate a sense of immediacy and lead to burnout. It was also found that there is an urge to slowdown and escape among the employees and right to disconnect has been perceived as a strategy to maintain work-life balance. The paper also discusses the global scenario and the problems which have been faced by the employers who have implemented this law. The current study also discusses the Right to Disconnect Bill, 2018 which was introduced in Lok Sabha in India. The paper suggested that instead of "Right to Disconnect", "Right for a Chosen Connection" should be implemented in India so as to overcome the shortcomings of "Right to Disconnect".

Keywords: *Right to Disconnect, work-life balance, well-being, digital tools*

INTRODUCTION

With the advent of communication technologies and several digital tools 24/7 connectivity has become possible which allows a person to stay connected all the time, not only to his near and dear ones but also to his work. As a result, nowadays, employees are receiving work related calls, messages and emails even after working hours and on holidays. For an employee who has worked constantly for ten hours or more, responding to such calls, messages or emails becomes very stressful. Many employees' health related studies have shown that intrusion into the personal life of employees and imbalance in their professional and personal life leads to stress, anxiety and sleep deprivation.

A nationwide survey was conducted by National Institute of Mental Health and Neuro Sciences (2016) which provides us an insight into the prevalence of anxiety disorders in twenty-eight states of India. The survey shows that around 3.1 per cent of Indian population is suffering from anxiety disorder. A world-wide survey on seventy-seven cities was conducted by UBS in 2018. The survey measured average annual working hours along with other parameters and reported that all over the world in terms of average number of hours worked in a year Mumbai tops the list with 3314 hours per annum.

In order to deal with ceaseless demands of work and to reduce work related anxiety disorder a new concept was developed named "Right to Disconnect". It is based on the principle that from ages employers have been discouraging employees from involving in personal life while at work thus in the same way employees should not be disturbed with office related work while having leisure or personal or family time at home.

[1]Assistant Professor, Vivekananda College, University of Delhi

Meaning of "Right to Disconnect"

According to The Right to Disconnect Bill, 2018 which was introduced by Sule (2018), the "Right to Disconnect" gives an option to the employee to not to indulge in any communication which is connected with work during non-working hours. These communications can be messages, calls and emails. This means that as per Right to Disconnect the employer may try to establish an interaction with the employee beyond work hours but employee is not bound to respond. As per this right, if an employee declines to answer to any of the communication which is received during non-working hours, then it shall not be considered as disregard on his part and no disciplinary action shall be taken against him by the employer. Right to Disconnect also allows the employer to negotiate on out-of-work hours with employees.

"Right to Disconnect" Across the Globe

According to Secunda (2019) France is the first country to have law giving "Right to Disconnect" to employees working in the country. The law came into effect from 1st January 2017 and bars the French employers from contacting their employees in most cases during out-of-office hours. According to French legislature, employers of the companies having 50 or more employees must give their employees the right to disconnect from work during out-of-office hours but no penalty has been fixed for violation of law. A similar law has been passed in Italy (Secunda, 2019).

In Spain, each and every company regardless of the number of employees, have the "Right to Disconnect" policies (Brin, 2019).

According to Secunda (2019) in Germany employers have decided to adopt such policies voluntarily for the welfare of employees before the government enact any stricter law. Such self-regulation apart from ensuring welfare of employees also gives freedom to the employer to draft the policies keeping in mind their industrial needs. For example, companies like Volkswagen, BMW, and Puma have by choice imposed limitations on their managers with respect to sending work related e-mails to employees during out-of-office hours. According to Secunda (2019) the German Labor Ministry itself has also taken up policies with respect to after-office-hours communication with an intention to motivate other employers to follow the suit. The Ministry has banned any communication with employees during out-of-office hours, except in emergencies. The Ministry has also enacted rules that no manager can take any unfavourable disciplinary action against the employees who either switch off their mobile or do not answer any out-of-office hours' communications (Secunda, 2019).

In Japan there is no law which address "Right to Disconnect" but some companies have drafted their rules in this regard at individual level. For example, since 2011 Osaka-based software firm YRGLM Inc. has been encouraging its employees to go on a nine-day vacation at least once a year and during such leave employees are not allowed to communicate with the company.

The Japanese automotive firm Mitsubishi Fuso Truck and Bus Corp., just like its German parent company Daimler AG, have been using software which deletes all those emails which are received during holidays. The software notifies the sender of the email that the sent email will be deleted automatically, and requests the sender to resend the email once the person returns from holiday. The idea behind this system is to relieve the employee from the stress of a full inbox after returning to work.

In India the Right to Disconnect Bill 2018 was introduced in Lok Sabha in 2018 as a Private Member Bill. The main objective of the bill is to aid the employees in maintaining a better work-life balance and to minimize their stress. The key takeaways of the bill are: employees have the right to not to answer work related messages/calls/emails during out-of-office hours and employers can't take any disciplinary action against employees for this; employers can bargain out-of-office hours with the employees and need to pay them overtime for such hours; in case of violation on the part of employer there is a provision of minimum penalty of 1 per cent of employee's total remuneration.

Arguments in Favour of "Right to Disconnect"

According to Pansu (2018) overuse of digital tools leads to emergence of behaviour which are not sustainable and effect the well-being of employees negatively. Such negative effect on well-being leads to burnout among the employees (Kotwinski, 2017). The "Right to Disconnect" could help in improving the productivity as well as the well-being of employees by furnishing them safeguard against the employers (Heuvel, 2017).

According to a study conducted by Eléas (2016) over one third of French employees use digital tools to do office work after their office hours on daily basis and 62 per cent of them feel that use of digital tools needs to be brought under the ambit of legislation. According to Lejeune (2016) digital tools affect some employees more than the others and there is a need to decide on some minimal mandatory disconnection period. Similarly, according to a study conducted by the CIPD (2017) more than 77 per cent of British employees wanted United Kingdom lawmakers to come up with a law similar to France's "Right to Disconnect".

Arguments Against "Right to Disconnect"

According to Shaw (2017) "Right to Disconnect" could act as a barrier in extracting benefits of digital era. According to a study conducted by the CIPD (2017) employees feel empowered when digital tools provide them remote access to their office even when they are out of office physically, such arrangements provide them work flexibility and make them more productive.

According to Mankins (2017) "Right to Disconnect" would simply change the timing of office communications from out-of-office hours to the workday and shove other works to out-of-office hours or to the weekends. This will make the work environment rigid and soon the organizations would find out that their most productive employees have become regular "lawbreakers" as they stay connected to office through digital tools in their out-of-office hours (Mankins, 2017).

According to Hesselberth (2017) the "Right to Disconnect" would mean that the out of office hours of an employee will no longer be recorded officially and would lead to unpaid out of office hours as against traditional scenario in which employer used to pay the employee for putting in his free time into office work.

The objectives of this study are:

- To find employees perception towards digital tool

- To determine factors that lead to work-life imbalance
- To access employees' attitude towards right to disconnect
- To find demographic based differences in employees' perception
- To suggest managerial implications of the study to maintain work-life balance

LITERATURE REVIEW

Addiction to Digital

Digital tools are very addictive and those people who use them often are more prone to this addiction (Turkle, 2011; Emmens & Thomson, 2018; Osburg & Lohrmann, 2017; Powers, 2010). Mazmanian et al. (2005) showed that there was some relationship between use of blackberry devices and addiction to them and an addictive pattern was observed between them which was referred to as 'Crackberry'.

According to Leonhard and Von Kospoth (2017) addiction arising because of the wave of information, alerts and notifications leads to overload in mind which affects a person's creative thinking negatively. Addiction to digital tools is a reason for social detachment (Johnson et al., 2014), is detrimental to health (Mazmanian et al., 2013) and results in burn-out (Staunton and Devlin, 2018).

Organisational Practices Demand More Connectivity

Organizational practices have transformed radically with the introduction of new technologies of communication. The advent of digitalization has changed the patterns of work as digitalisation allows employees to work from everywhere and 24/7 and thus employees are expected to be prompt. This has given rise to 'always-on' culture and promptness of employees is often identified as higher-level performance. All these have led to the generation of a notion among the employees that they are required to be connected to their organization irrespective of time of the day and beyond work hours (Lee et al., 2016).

Significance of Well-being

According to Mullins (2010) an organization should target and achieve a better environment so as to ensure employees' optimum well-being. Employees' and their families' well-being can be negatively affected by the digital tools (Becker et al., 2018). According to Thomée et al. (2011) repeatedly checking or using digital tools such as smartphones results in decline in the level of well-being, sleep disorder and increase in stress and anxiety level of individuals. The CIPD Absence Management Report (2016) discloses that presenteeism is increasing at a very high rate in the United Kingdom. The report shows that lower the level of well-being of the employees, higher will be the level of presenteeism. Therefore, in order to prevent work from infringing into the private life of the employees' rigorous rules should be made (Becker et al., 2018).

High-speed Society and Slowness Concept

According to Robinson and Godbey (2005) nowadays people feel that there is scarcity of time and hence they feel very restless and rushed all the time. Such apprehension of time has led to the origin of terms like "time famine" (Mogilner, Chance and Norton, 2012) and "runaway world" (Wajcman, 2015). It is also believed that digital tools and advancement in technology are further quickening the pace of our life. But moving away from the technologies is not easy as “they are inextricably woven into the fabric of our lives” (Wajcman, 2015).

According to Wajcman (2015) in metropolitan cities the high speed of life is often associated with modernity and a “busy life style” is often adored as the tag of prestige. According to Cowell (2005) fascination of modern society to link busyness with prosperity, success and prestigious status, and availability of 24/7 connectivity because of digital tools have converted employees into “willing slaves” who are ready to over-work which lower their level of well-being.

According to Honoré (2004) in order to achieve a better well-being, a person needs to move with a right pace: decelerating when it is needed and accelerating when it is required. One must aim for a life which is not always in a fight against time (Honoré, 2004). This harmony between individual and time can be achieved only with the aid of the organisation. The employers need to understand that an employee with better well-being can perform much better than an employee with lower well-being and should promote the idea of slowness among the employees. According to Messenger (2010) when long working hours of the employees are reduced then the organisations witness positive impacts on employees mental and physical health, improvement in performance and reduction in workplace accidents all due to fall in stress, anxiety and fatigue level of employees.

According to Pansu (2018) it is not necessary that idea of slowness is applied on the universal scale, small steps on the part of the organisation can also resolve the problem. It has been witnessed that many organisations have developed such kind of culture which is in concurrence with the slowdown concept and thus acknowledge the positive influence of slowness on productivity (Honoré, 2004). According to Johnson et al. (2018) some organizations are providing gyms facility to employees within the organisation and also allowing them to take naps in between work. Activities like going for a walk, listening to music, meditation, yoga, aerobics, mindfulness, stretching etc. are promoted by organizations as such activities reduce fatigue, enhance positive emotions and restore psychological resources (Trougakos et al, 2008; Henning et al., 1997).

RESEARCH METHODOLOGY

On the basis of previous research and knowledge about the subject, a structured and non-disguised questionnaire was constructed which was used for eliciting information and data from the respondents. In order to obtain required information from the respondents both open-ended and closed-ended questions were used which were created on the basis of careful selection and modification of scales which were already tested in past researches.

With the objective to know whether the respondents consider digital tools as invasive and addictive the scale developed by Pansu (2018) and Beard (2005) respectively was utilized. For tapping the domain of factors leading to work-life imbalance, such as immediacy and emergency to respond to office communication, burnout, desire to escape, and coping strategies, such as right to disconnect, scales developed by Pansu (2018) were used. Certain modifications were made in the questions so that the questions become suitable to Indian context. A five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was utilized for eliciting responses.

The intention of the current study is to understand the importance of right to disconnect in maintaining a work-life balance thus the questionnaire constructed for the study has taken employees as its sampling unit. The pilot testing was carried out on 20 respondents and the suggestions provided by them were incorporated and a final questionnaire was developed. The final questionnaire was circulated both physically and online with the help of Google.doc surveys and convenience sampling method was used for it. The data was gathered in September-October 2019 in the city of Delhi and National Capital Region (NCR). Total 113 responses were obtained and out of these 12 were dropped as they were incomplete. The final data comprises of 101 responses which were analysed by using SPSS software version 20.

The data so collected was analyzed using factor and reliability analyses. To test the reliability of scale Cronbach alpha coefficients were calculated for each dimension. Reliability coefficients along with mean scores for each dimension as well as mean score and standard deviation for individual items constituting the dimension are provided in Table 1.

Table 1: Right to Disconnect Dimensions and Statements Indicating their Reliability Score, Mean Score and Standard Deviation

Dimensions	Reliability (Cronbach Alpha value)	Mean score (n=101)	Std. Deviation
A. Digital Tools are Perceived to be Invasive and Addictive	.821	3.36	
1. I unlock my smartphone every 4-5 minutes		3.81	.717
2. When I don't use my smartphone for long I start feeling that I am missing something		3.45	1.081
3. I have made unsuccessful efforts to control, cut back, or stop use of the internet		3.09	1.167
4. I feel restless, moody, depressed, or irritable when attempt to control internet use		3.09	1.087
B. Perceived Immediacy and Reasons of Burnout	.920	3.80	
1. I feel pressure to respond quickly to work related message		3.51	1.016
2. I feel that there is an emergency when I received message related to work.		4.00	.600
3. I feel that I help other people finish their work on time if I answer work related message fast		3.82	.713
4. Heavy workload is one of the reasons why I work after office hours or once I leave my desk		3.89	1.095
5. My workload has increased after the introduction of digital tools		3.91	.991
6. My workload has increased as my organisation expect more from fewer people		3.90	1.082
7. Working from home allows me to compensate for the time I have not (or at least I do not have the impression that I have) worked enough during office hours		3.53	1.162
C. Desire to Escape and slow down	.790	4.00	
1. I wish I could live without digital tools occasionally		3.91	.512

2. I wish I could slow down the pace of my life.		3.91	.512
3. Sometimes, I wish I retire or leave my job and go on an ice floe		4.18	.573
D. "Right to Disconnect" Perceived as a Strategy to Maintain Work-Life Balance	.921	3.87	
1. "Right to Disconnect" could help me disengage with work and have better relaxing time		3.91	.789
2. "Right to Disconnect" could be favourable for my well-being		3.74	.744
3. "Right to Disconnect" could help me to establish better balance between personal and professional life		3.83	.825
4. A law similar to "Right to Disconnect" should be implemented in India		3.99	.954
Source: Authors' elaboration			

Notes: 1. Scale used for measuring responses was 1 = Strongly disagree; 2 = Disagree; 3 = Neutral; 4 = Agree; 5 = Strongly agree.

Table 1 show that the reliability coefficients are high enough for all the dimensions which indicates that data is reliable.

RESULT ANALYSIS

Descriptive Statistics

Out of total respondents (Table 2) 36.6% were female (n = 37) and 63.4% were male (n = 64). Out of 101 respondents, 53.5% (n = 54) were graduate, 17.8% (n = 18) were post-graduate and 28.7% (n = 29) had done professional courses. Out of 101, 64.4% (n = 65) respondents were employed in public sector and 35.6% (n = 36) were employed in private sector. 35.6% (n = 36) respondents on an average worked additionally 1-3 hour/s per week because of the availability of digital communication tools, 17.8% (n = 18) respondents on an average worked additionally 3-5 hours per week because of the availability of digital communication tools, 9.9% (n = 10) respondents on an average worked additionally 7-9 hours per week because of the availability of digital communication tools, 8.9% (n = 9) respondents on an average worked additionally 9-11 hours per week because of the availability of digital communication tools, 9.9% (n = 10) respondents on an average worked additionally 11-13 hours per week because of the availability of digital communication tools and 17.8% (n = 18) respondents on an average worked additionally above 13 hours per week because of the availability of digital communication tools.

Table 2: Description of Respondents

Characteristics		Frequency	Percentage
Gender	Female	37	36.6%
	Male	64	63.4%
Education	Graduate	54	53.5%
	Post-graduate	18	17.8%
	Professional	29	28.7%
Employment Sector	Public	65	64.4%

	Private	36	35.6%
Average number of additional hours worked per week because of the availability of digital communication tools	1-3 hours	36	35.6%
	3-5 hours	18	17.8%
	7-9 hours	10	9.9%
	9-11 hours	9	8.9%
	11-13 hours	10	9.9%
	Above 13 hours	18	17.8%
Total		101	100.0%
Source: Authors' elaboration			

Mean Score Analysis

Data was summarized and inferences were drawn through mean scores. Mean scores were interpreted by using approach developed by Scott (1999). In respect of the five-point Likert scale items, while a mean score in the range of 3.2 to 2.8 was construed as indicating that respondents were neutral towards the statement; a score above 3.2 was taken as indicating that the respondents agreed with the statement and a score below 2.8 was taken as indicating that respondents did not agree with the statement.

From Table 1 it can be seen that overall respondents feel that the digital tools are invasive and addictive in nature (M=3.36). They agree that they usually unlock their smartphone every 4-5 minutes (M=3.81) and they feel that they are missing something when they do not use their smartphone for long (M=3.45) but they feel neutral when it is asked that whether they have made unsuccessful efforts to control, cut back, or stop use of the internet (M=3.09) and during such attempt to control whether they felt restless, moody, depressed, or irritable (M=3.09).

Respondents agree that they feel immediacy and burnout (M=3.80), respondents feel pressure (M=3.51) and emergency (M=4) to respond quickly to work related messages and feel that they help other people finish their work on time if they answer work related message fast (M=3.82). Respondents perceive workload (M=3.89), introduction of digital tools (M=3.91) and organizations' expectations of getting more work done by fewer people (M=3.90) as the reasons of their burnout (Table 1).

Respondents have desire to escape and slowdown (M=4.00), they wish they could live without digital tools occasionally (M=3.91), slow down their pace of life (M=3.91) and retire or leave their job and go on an ice floe (M=4.18) (Table 1).

Respondents perceive right to disconnect as a strategy to maintain work-life balance (M=3.87), "Right to Disconnect" could help them disengage with work and have better relaxing time (M=3.91), could be favourable for their well-being (M=3.74), could help them establish better balance between personal and professional life (M=3.83) and a law similar to "Right to Disconnect" should be implemented in India (M=3.99) (Table 1).

t-test Analysis

In order to ascertain the influence of demographic characteristics on the responses t-test was conducted.

Gender

t-test (Table 3) revealed that on average, male perceive digital tools to be more pervasive and addictive (M = 3.5547, SE = .09983) than female (M = 3.0203, SE = .12829). This difference was significant t(99) = 3.267, $p < .05$. The effect size is medium, r = 0.31196.

It further revealed that on average male perceive immediacy and burnout more (M = 4.0290, SE = .09699) than female (M = 3.3938, SE = .11063). This difference was significant t(84.185) = 4.317, $p < .05$. The effect size is medium, r= 0.425736 (Table 3).

Also, on average male desire to escape and slow-down is more (M = 4.0469, SE = .06839) than female (M = 3.9189, SE = .023843). This difference was not significant t(77.24) = 1.767, $p > .05$. The effect size is low, r = 0.197111 (Table 3).

Furthermore, on average female perceive right to disconnect as a strategy to maintain work life balance more (M = 3.9324, SE = .01850) than male (M = 3.8320, SE = .11707). This difference was not significant t(66.115) = -.847, $p > .05$. The effect size is low, r = 0.103607 (Table 3).

Table 3: Gender-based differences in perceptions

	Gender	Mean	Std. Error Mean	Levene's Test for Equality of Variances		t-test for Equality of Means		
				F	Sig.	T	Df	Sig. (2-tailed)
ADDICTIVE	MALE	3.5547	0.09983	1.449	.232	3.267	99	.001
	FEMALE	3.0203	0.12829					
BURNOUT	MALE	4.029	0.09699	4.112	.045	4.317	84.185	.000
	FEMALE	3.3938	0.11063					
ESCAPE	MALE	4.0469	0.06839	10.502	.002	1.767	77.240	.081
	FEMALE	3.9189	0.02384					
RIGHT	MALE	3.832	0.11707	50.591	.000	-.847	66.115	.400
	FEMALE	3.9324	0.0185					
Source: Authors' elaboration								

Employment Sector

t-test (Table 4) revealed that on average employees in public sector perceive digital tools to be more pervasive and addictive (M = 3.6615, SE = .08846) than employees in private sector (M = 2.8125, SE = .12455). This difference was significant t(99) = 5.633, $p < .05$. The effect size is medium, r = 0.492664.

It further revealed that on average employees in public sector perceive immediacy and burnout more (M = 4.1385, SE = .07685) than employees in private sector (M = 3.1786, SE = .11876). This difference was significant t(64.786) = 6.786, $p < .05$. The effect size is large, r= 646031 (Table 4).

Also, on average desire of employees in public sector to escape and slow-down is more (M = 4.1385, SE = .04842) than employees in private sector (M = 3.7500, SE = .07319). This difference was significant t(99) = 4.58, $p < .05$. The effect size is medium, r = 0.418136 (Table 4).

Furthermore, on average employees in public sector perceive right to disconnect as a strategy to maintain work life balance more (M = 4.2115, SE = .04848) than employees in private sector (M = 3.2500, SE = .14015). This difference was significant t(43.537) = 6.484, $p < .05$. The effect size is large, r = 0.700904 (Table 4).

Table 4: Employment sector-based differences in perceptions

	Sector	Mean	Std. Error Mean	Levene's Test for Equality of Variances		t-test for Equality of Means		
				F	Sig.	T	Df	Sig(2-tailed)
Addictive	Public	3.6615	.08846	.626	.431	5.633	99	.000
	Private	2.8125	.12455					
Burnout	Public	4.1385	.07685	6.020	.016	6.786	64.287	.000
	Private	3.1786	.11876					
Escape	Public	4.1385	.04842	2.653	.107	4.580	99	.000
	Private	3.7500	.07319					
Right	Public	4.2115	.04848	55.539	.000	6.484	43.537	.000
	Private	3.2500	.14015					
Source: Authors' elaboration								

DISCUSSION, RECOMMENDATION, LIMITATION AND SCOPE FOR FUTURE RESEARCH

Though respondents are showing some sign of addictiveness towards digital tools as they unlock their smartphone frequently and feel as if they are missing something when they don't use their smartphone for long but they appear uncertain in deciding whether digital tools are invasive, addictive or not. More statements can be provided to the respondents to make clear the nature of digital tools.

The survey shows that office communications received by the employees in out-of-office hours generate a sense of immediacy and lead to burnout which may have far reaching consequences on their personal as well as professional life. This result is in line with the previous studies (Pansu, 2018; Mazmanian et al., 2005). The respondents show an urge to slowdown and escape from their daily routine. This result is consistent with the previous study (Honoré, 2004).

Respondents perceive right to disconnect as a strategy to maintain work-life balance. What is required to be noticed is that because of always-on culture, immediacy, burnout and employees wish to slowdown and escape there is a "need of a strategy" to maintain work-life balance and "Right to Disconnect" is only one of them. There are other strategies also which should be analysed properly before taking a final decision.

Some of the companies around the world which have enacted “Right to Disconnect” have witnessed that their employees are finding ways to work around the system and are doing their office work in out-of-office hours. One of the reasons of such behaviour is the urge of flexibility in working hours which get eliminated under “Right to Disconnect”. It is suggested that instead of “Right to Disconnect”, “Right for a Chosen Connection” should be implemented. According to this no employee could be forced to stay connected or work in out-of-office hours except those who wish to work at that time, provided they don’t expect the work from those who are resting. Such policies would help the organizations and employees to take advantage of digital era through flexibility and would do away with problems like being available 24/7.

The current research being principally descriptive in nature is not free from limitations. It uses convenience sampling and data is being collected through a small sample size in the city of Delhi and NCR. This does not provide us pan-India data. Thus, in future further studies can be done by including more diverse geographical area with good number of respondents to have data representing whole India. Due to time and resource constraints, only selected aspects of the work-life imbalance have been studied. This limitation needs to be overcome in future by employing other aspects. The current study aims at knowing the perceptions of the respondents and no relationship among the variables have been analysed. So, a further study can be done to establish relationship among the variables and to draw up the model. It will be equally important to analyse whether employees belonging to different sector differ in their attitude and need.

REFERENCES

Beard, K. W. (2005). Internet addiction: A review of current assessment techniques and potential assessment questions. *Cyber Psychology & Behavior*, *8*(1), 7–14. https://doi.org/10.1089/cpb.2005.8.7

Becker, W., Belkin, L., & Tuskey, S. (2018). Killing me softly: Electronic communications monitoring and employee and spouse well-being. *Academy of Management Proceedings*, *2018(*1), 12574. https://doi.org/10.5465/AMBPP.2018.121

Brin, D. W. (2019, May 20). *France and Spain: Right to disconnect spreads*. SHRM. Retrieved October 20, 2019, from https://www.shrm.org/resourcesandtools/legal-and-compliance/employment-law/pages/global-france-spain-right-to-disconnect.aspx

Chartered Institute of Personnel and Development (CIPD). (2016). (rep.). *Absence Management 2016*. London, London. Retrieved October 23, 2019, from https://www.cipd.co.uk/Images/absence-management_2016_tcm18-16360.pdf.

Chartered Institute of Personnel and Development (CIPD). (2017). (rep.). *Employees Outlook: views on working life 2017*. London, London. Retrieved October 23, 2019, from https://www.cipd.co.uk/Images/employee-outlook_2017-spring_tcm18-21163.pdf

Cowell, R. (2005). Willing slaves: How the overwork culture is ruling our lives by Madeleine Bunting. London: Harper Collins, 2004. 368PP, ISBN 0-00-716371-1. *Practice Development in Health Care*, *4*(3), 167–167. https://doi.org/10.1002/pdh.11

Eléas. (2016). Enquête « Pratiques numériques des actifs en France en 2016 ». Retreived from https://www.eleas.fr/app/uploads/2016/10/CP-Eleas-Enqu%C3%AAte-Pratiques-num%C3%A9riques-2016.pdf

Emmens, B., & Thomson, P. (2017). Organizational Culture, and the Impact of the Digital Overload. In *Conquering Digital Overload* (pp. 39–51). Palgrave Macmillan. doi: https://doi.org/10.1007/978-3-319-63799-0_4

Henning, R. A., Jacques, P., Kissel, G. V., Sullivan, A. B., & Alteras-Webb, S. M. (1997). Frequent short rest breaks from computer work: Effects on productivity and well-being at two field sites. *Ergonomics*, *40*(1), 78–91. https://doi.org/10.1080/001401397188396

Hesselberth, P. (2017). Discourses on disconnectivity and the right to disconnect. *New Media & Society, 20*(5), 1994-2010. https://doi.org/10.1177%2F1461444817711449

Heuvel, J. (2017, January 10). Should UK employers consider giving workers a 'right to disconnect'? Retrieved September 10, 2019, from https://www.peoplemanagement.co.uk/experts/legal/limiting-email-access-boosts-wellbeing.

Honoré, C. (2004). *In praise of slowness: Challenging the Cult of Speed.* London: HarperCollins.

Johnson, S., Robertson, I., & Cooper, C. (2018). *Well-being: productivity & happiness at work.* London: Palgrave Macmillan. https://doi.org/10.1007/978-3-319-62548-5

Kotwinski, A. (2017). It's up to managers to make sure employees disconnect from work. *People Management, 5.*

Lee, S., Lee, S., & Suh, Y. (2016). Technostress from mobile communication and its impact on quality of life and productivity. *Total Quality Management & Business Excellence, 27(*7-8), 775-790. https://doi.org/10.1080/14783363.2016.1187998

Lejeune, L. (2016, September 5). The right to disconnect at work does not go far enough. Retrieved September 12, 2019, from https://www.challenges.fr/challenges-soir/le-droit-a-la-deconnexion-au-travail-ne-va-pas-assez-loin_423752.

Leonhard, G., & von Kospoth, C.-A. G. (2017). Exponential Technology Versus Linear Humanity: Designing A Sustainable Future. In *CSR, Sustainability, Ethics & Governance* (pp. 77–83). Springer. doi: https://doi.org/10.1007/978-3-319-54603-2_6

Mankins, M. (2017, January 6). Why the French Email Law Won't Restore Work-Life Balance. *Harvard Business Review*. Retrieved from https://hbr.org/2017/01/why-the-french-email-law-wont-restore-work-life-balance

Mazmanian, M. A., Orlikowski, W. J., & Yates, J. A. (n.d.). CrackBerries: The Social Implications of Ubiquitous Wireless E-Mail Devices. In *IFIP — The International Federation for Information Processing* (Vol. 185). Boston, MA: Springer. doi: https://doi.org/10.1007/0-387-28918-6_25

Messenger, J. (2010). Working time trends and developments in Europe. *Cambridge Journal of Economics, 35*(2), 295-316. https://doi.org/10.1093/cje/beq022

Mogilner, C., Chance, Z., & Norton, M. (2012). Giving Time Gives You Time. *Psychological Science,* 23(10), 1233-1238. https://doi.org/10.1177%2F0956797612442551

Mullins, L. (2010). *Management and organisational behaviour* (9th ed.). Pearson.

NIMHANS. (2016). *National Mental Health Survey of India, 2015-16: Summary*. Retrieved from http://indianmhs.nimhans.ac.in/Docs/Summary.pdf

Osburg, T., & Lohrmann, C. (2017). Sustainability in a digital world. Munich: Springer. https://doi.org/10.1007/978-3-319-54603-2

Pansu, L. (2018). Evaluation of 'right to disconnect' legislation and its impact on employee's productivity. *International Journal of Management and Applied Research*, *5*(3), 99–119. https://doi.org/10.18646/2056.52.18-008

Powers, W. (2010). *Hamlet's BlackBerry: Building a Good Life in the Digital Age*. New York: HarperCollins.

Robinson, J., & Godbey, G. (2005). Busyness as Usual. *Social Research*, *72(* 2), 407-426.

Secunda, Paul M. (2019) "The Employee Right to Disconnect," *Notre Dame Journal of International & Comparative Law*: Vol. 9: Iss. 1, Article 3. Available at: https://scholarship.law.nd.edu/ndjicl/vol9/iss1/3

Shaw, M. (2017, February 14). Education, not legislation, will help us disconnect from technology. Retrieved September 10, 2019, from https://www.peoplemanagement.co.uk/voices/comment/help-disconnect-technology.

Staunton, M., & Devlin, M. (2018). Actions to Mitigate Digital Overload. In P. Thomson, M. Johnson and J. Michael Devlin (Eds.), *Conquering Digital Overload* (pp. 127-143). London: Palgrave Macmillan. https://doi.org/10.1007/978-3-319-63799-0_10

THE RIGHT TO DISCONNECT BILL, 2018, Parliament of India LOK SABHA HOUSE OF THE PEOPLE (2018). bill. Retrieved October 20, 2019, from http://164.100.47.4/BillsTexts/LSBillTexts/Asintroduced/2317as.pdf.

Thomée, S., Harenstam, A., & Hagberg, M. (2011). Mobile phone use and stress, sleep disturbances, and symptoms of depression among young adults-a prospective cohort study. *BMC public health*, *11*(66), 1-12. https://doi.org/10.1186/1471-2458-11-66

Trougakos, J. P., Beal, D. J., Green, S. G., & Weiss, H. M. (2008). Making the break count: An episodic examination of recovery activities, emotional experiences, and positive affective displays. *Academy of Management Journal*, *51*(1), 131–146. https://doi.org/10.5465/amj.2008.30764063

Turkle, S. (2011). *Alone Together: Why We Expect More from Technology and Less from Each Other*. New York: Basic Books.

UBS. (2018). *Cost of living in cities around the world Prices and Earnings 2018*.

Wajcman, J. (2015). *Pressed for time - the acceleration of life in digital capitalism.* London: The University of Chicago Press.

MILLENNIALS IN THE WORKPLACE: AN OVERVIEW

Kasturi Saikia[1]

People are what makes a great workplace. It is seen that the behaviors and attitudes of people have changed drastically over the years. With this change, there have been changes in the working style of individuals and organizations as well. The success of an organization depends on the efficiency of human resources and there is interdependency between the organization and its people to take care of each other. The different generations over some time, Silent Generation, Baby Boomers, Generation X, and now the Millennial or Generation Y; and their characteristics have had a great influence on the working style of organizations as they must keep up with the needs of the generation. This study aims to identify how organizations have accepted the millennials and brought about changes in the workplace environment keeping their needs in mind. The Objectives of the study are

1) *To identify the characteristic of the millennial.*
2) *To identify the workplace environment changes owing to the millennials.*

In addition, some unique HR practices of companies are also discussed. The study is based on the literature available from various secondary sources such as journal and magazine articles. The major finding of this study is that organizations consider the different generations and takes care of their needs by incorporating changes in the organization's culture.

Keywords: *Millennial, Generational differences, Workplace*

JEL Code: M12, M14

INTRODUCTION

A generation can be defined as a group that is distinguished based on birth year, age, location, and other significant life events (Kupperschmidt, 2000; Smola & Sutton, 2002; Guha, 2010) that creates their personality and shape their behaviors and attitudes (Bannon et al., 2011). This change also affects the workplace environment as per the needs of the generation (Schullery, 2013). These differences cannot be ignored (Reisenwitz & Iyer, 2009; Bannon, et al., 2011; Putre, 2013), as they impact the whole system in an organization. There have been four different generations of workers: Silent Generation, Baby Boomers, Generation X, and Generation Y (Kapoor & Solomon, 2011; Geoffrey & Schewe, 1994; Strauss & Howe, 1991) and out of these, only three generations comprise of today's workforce: Baby Boomers, Generation X, and Millennials (Smola & Sutton, 2002; Kaifi, et al, 2012), but slowly Generation Z has also entered the workplace now. But there is no uniformity about the years to which these different generations belong to.

"Silents" are said to be born between 1930-1945 (DeVaney, 2015) or 1925 to 1942 (Strauss and Howe, 1991) or 1925-1945 (Jeffries Hunte, 2003) followed by the Baby Boomer generation, who are born between 1943 and 1960 (Strauss and Howe, 1991; Kaifi et al.,

---

[1] [1]Assistant Professor, DHSK Commerce College, Dibrugarh, Assam

2012) or between 1946 and1964 (Beekman, 2011; Jeffries Hunte 2003). Generation X was born between 1961 and 1979 (Kaifi et al., 2012) or 1961 to 1981 (Strauss and Howe,1991), or 1965 and 1980(Jeffries Hunte,2003; Beekman, 2011), but roughly it starts in the early 1960s and ends in 1975, 1980, 1981, or 1982 (Jurkiewicz & Brown, 1998; Karp et al,1999; Adams, 2000; Scott, 2000; Kupperschmidt, 2000; O'Bannon, 2001). Finally, Millennials, are argued to have been born between 1979 and 1994 (Smola and Sutton, 2002); or 1980 and 2000 (Meier & Crocker, 2010; Kaifi et al., 2012), or between 1981 and 2000 (Jeffries & Hunte, 2003; Beekman, 2011; Cekada, 2012) or after 1982 till 2000 (Strauss and Howe, 1991). They are the ones born between the early 1980s to the early 2000s and have a huge impact on organizations as they are dominating the work field in the present scenario. They are open-minded, creative, flexible, and progressive in their thoughts. Millennials love to be in an informal environment and have casual conversations instead of formal meetings. They want recognition and appreciation for the work they have accomplished. They want to be heard and wish for the freedom to work on their ideas (Erickson, 2009)

The identity of a generation is characterized by the set of values and attitudes that drive them toward their work (Chaturvedi, 2013) which further defines an organization's culture. Managers can adapt to the likes and dislikes of the generations by understanding the differences among them.

Silent Generation is said to be traditional in its approach, with no originality, imagination, or any cause. They are facilitators and helpers, who preferred job security over entrepreneurship. While the Baby Boomer generation is believed to be arrogant, mature, wise with full of self-confidence. They are spiritual, religious, and critical thinkers (Strauss & Howe, 1991; Howe & Strauss, 2000). Baby Boomers did not grow up dependent on technology (Smola & Sutton, 2002; Kaifi et al., 2012). They are optimistic, loyal, consistent, and hardworking and are ready to work overtime for money and recognition (Howe & Strauss, 1991; Yu & Miller, 2005; Gilbert, 2011) Hence, they are said to be workaholics for whom work was a central part of their life.

Coming to Generation X, they have been described as Cynical, distrusting, fearful, lost, wasted, shocking, uneducated, shallow, uncivil, mature for their age, pragmatic, apathetic and disengaged politically, independent, self-reliant, fatalistic, mocking, under-achieving (Strauss & Howe,1991; Howe & Strauss,2000). Generation X grew up in a poor economy (Cahill & Sedrak, 2012) with financial, family, and societal insecurity which made them individualistic (Jurkiewicz & Brown, 1998). They are loyal, cynical, and self-reliant who loved to work alone and prefer stability and job challenges, expecting rapid promotion and rewards (Howe & Strauss, 1991; Jennings, 2000; Yu & Miller, 2005).

OBJECTIVES OF THE STUDY

With the retirement of the Baby Boomers, it is Gen X and Millennials that are currently in the working scenario of various companies, and it is mostly the Millennials who are dominating the workforce **(**Smola and Sutton, 2002; VanMeter et al., 2013). Since all three generations are working together, they must work together in harmony and unity by avoiding any kind of conflict (Adams, 2000; Deyoe & Fox, 2011), misunderstanding (Bradford, 1993), and miscommunication (Jurkiewicz, 2000). Generational differences have had a great influence on the working style of organizations and managers are trying their best to keep up with the needs of the generation for better performance and satisfaction among the employees. This study aims to identify how organizations have accepted the millennials and brought about changes in the workplace environment keeping their needs in mind. The Objectives of the study are

1) To identify the characteristics of the Millennials.
2) To identify the workplace environment changes owing to the Millennials.

In addition, some unique HR practices of companies are also discussed.

RESEARCH METHODOLOGY

The study is based on the literature available from various secondary sources such as journal and magazine articles. Different academic articles available in various journals are referred to by searching the keywords: Millennials, Generation Y, Generational differences, and Generation X, which led to the fulfilment of the objectives of this study.

LITERATURE REVIEW

The Millennial Traits

The Millennial Generation, also known as Generation Y, Nexters, Nexus Generation, Net Generation (NetGen), Screenagers, Google Generation, Digital Natives, and Melting Pot Generation (Zemke et al, 2000; Prensky, 2001; Burke & Ng, 2006; Nielsen, 2014) are commonly referred to as millennials (Tyler 2007; Balda & Mora, 2011; Evans, 2011; Chou, 2012; Cekada, 2012) as they were born closer to the new millennium and raised in a more digital age (Kaifi et al., 2012) influenced by computers and a greater acceptance of non-traditional families and values (Andert, 2011). They are described as Optimists, cooperative, team players, trusting, accepting of authority, rule-followers, smart, civic-minded, special, sheltered, confident, achieving, pressured, and conventional (Strauss and Howe 1991; Howe and Strauss,2000) with high self-esteem (Meier & Crocker, 2010). Chaturvedi (2013) identified nine different perceived orientations that include both positive and negative traits-Autonomous, Entitled, imaginative, self-absorbed, defensive, abrasive, myopic, unfocused, and indifferent. With their entry into the workforce, they have been well-studied by scholars (Harris-Boundy & Flatt, 2010), which led to the identification of the following characteristics:

S.No.	Characteristics	Explanation	Authors
1.	Highly committed & motivated	They are very committed to their job.	Tulgan and Martin (2001); Martin (2005); Hauw and Vos (2010).
2.	Meaningful work	They want to make difference with their work by contributing to society.	Sheahan (2005); Behrens (2009); Hewlett et al. (2009); Hauw & Vos, (2010); Ng et al (2010); Beekman (2011); Cahill and Sedrak (2012); Cekada (2012); Schullery, (2013); Smith & Nichols (2015).
3.	Challenging work	They love challenges and are very open to learning new experiences.	Martin (2005).

4.	Immediate feedback	They want to be appreciated for their work. Feedback should be very clear and specific, leaving no room for misunderstanding.	Martin (2005); Lowe et al (2008).
5.	Goal oriented	They know their job well and they are well-focused.	Kowalski et al. (2010)
6.	Adaptable to change	They can adapt easily to changes.	Martin (2005)
7.	Team workers	They love working in teams by contributing equally to the output.	Howe & Strauss (2000); Sheehan (2005); Elam et al. (2007); Alsop (2008); Gursoy et al. (2008); Deal et al. (2010); Hershatter & Epstein (2010); Espinoza, et al. (2010); Kowske et al. (2010); Meister & Willyerd(2010); Myers & Sadaghiani(2010); Ng et al(2010); Bannon, et al., (2011); Gilbert (2011); Cekada (2012); Gavatorta (2012); Cahill & Sedrak (2012).
8.	Work-life balance	They give importance to their family and take out time for them.	Tulgan & Martin (2001); Sheahan (2005); Andert(2011); Gilbert(2011); Farrell and Hurt (2014)
9.	Open	They love to work in an open environment with fewer rules and regulations and open communication, prefer transparency and inter-connectedness in the Workplace	Tapscott (1998); Zemke et al., (2000); Tulgan and Martin (2001); Hill (2002); Martin, (2005); Howe & Strauss, (2007); Marston (2007); Gursoy et al (2008); Ng et al.(2010); Kaifi et al. (2012) (Smith & Nichols, 2015)
10.	Confident & Optimistic	They are very confident and positive.	Howe & Strauss (2000); Tulgan (2009); Guha, (2010); Hauw and Vos (2010); Kowske et al. (2010);Trzesniewski & Donnellan (2010).
11.	Tech-savvy	They are very technology-friendly and love to work on the go.	Lancaster & Stillman (2002); Martin (2005); Bannon, et al. (2011); Evans (2011); Beekman (2011); Cekada (2012); Smith & Nichols (2015).
12..	Multitaskers	They can do multiple works at a time.	Suleman & Nelson (2011); Cekada (2012).
13.	Informal	They prefer an informal environment set-up.	Sheahan (2005)

14.	Fun-Loving	Generation Y employees enjoy having fun at work. They realize the value of truly enjoying their jobs	Sheahan (2005); Suleman & Nelson (2011)
15.	Well educated	They are well-educated with college degrees.	Tulgan and Martin (2001); Jayson (2006); Brant & Castro, (2019)
16.	Freedom to work	They like to be coached instead of being ordered and they learn best by doing.	Sheehan (2015);Cekada(2012); Gavatorta(2012);Romero (2012).
17.	Job –switch	They do not mind switching jobs until they find the one that suits them best.	Solomon (2000); Safer (2007); Hauw & Vos (2010).
18.	Social people	They give importance to interpersonal relationships and desire authenticity and meaningfulness when establishing relationships.	Alsop (2008); Borges et al (2010); Ng et al. (2010); Balda & Mora, (2011); Smith & Nichols (2015).
19.	Socially conscious	They want to contribute to society by doing well and involving in social activities.	Meister & Willyerd, (2010); McGlone et al (2011).
20.	Communication	They love to communicate and be in touch.	Meier & Crocker (2010)

As is evident from above, it can be rightly said Millennials are a generation that thinks and works differently and have brought about changes in the work culture and had a profound influence on the way work is done (Solnet & Kralj, 2012). They are productive and prefer to work for fewer hours and even work from home so that they can balance their work life with their personal life. They love meaningful work that involves innovativeness and risks. Interestingly, Millennials prefer works that are enjoyable, and satisfying, and integrate work-life balance over well-paid or career-oriented jobs (Bannon et al., 2011; Henderson, 2012; Chalofsky & Cavallaro, 2013). But this generation has also been criticized as it is argued that Millennials are self-important, impatient, and disloyal, narcissistic, over-confident, arrogant (Twenge & Campbell,2003; Howe & Stauss, 2007; Jacobson, 2007; Hill, 2008; Myers & Sadaghiani, 2010; VanMeter et al., 2013). They are difficult to interact with, are entitled, and overly service-focused (Deal et al., 2010) as they are not scared to express their opinions (Levenson, 2010) as they expect to be listened to and have their opinion valued (Solnet & Kralj, 2012). Their need for feedback is also considered to be a negative trait by some (Cahill and Sedrak, 2012).

Nevertheless, Generation Y views the world much differently than the previous generations, and to be effective in today's world, organizations must be able to identify with a multi-generational workforce with varying beliefs, work ethics, lifestyles, values, attitudes, and expectations (Niemiec, 2000) and should embrace them with new management techniques for better results (Tulgan & Martin, 2001; Balda & Mora, 2011 Meister, 2012). Managers must be able to engage employees for talent retention (Schullery, 2013) as they tend to switch jobs.

They are always on the hunt for better opportunities and hence the turnover rate is high among them. To attract and retain a Millennial, an organization needs to understand their employees' needs and values, factors that drive them towards better engagement, and satisfy this generation (Guha, 2010). The organization should take this seriously so that they can retain their talents and provide them with learning opportunities and cultural identity within the organization (Lancaster & Stillman, 2002).

But organizations have already understood that the key to managerial success is acceptance of the new generation (Espinoza et al., 2010; Meister, 2012) and hence they are strategizing practices for the millennials and adapting to their needs. Generational differences have been studied by different researchers by identifying the factors responsible for such differences (Kilber, 2014) and the results have been contradictory. Gilbert (2011) concluded there exist generational differences while Kowske et al. (2010) found very small generational differences concerning work. Others (Smola & Sutton,2002; Hauw & Vos, 2010; Costanza et al.,2012; Pyorial et al, 2017**)** suggested that differences among generations are due to factors other than generational characteristics, which may be a result of societal environment, maturity process of individuals, geographical location, culture, family values, styles, etc.

But it is widely accepted that each generation has its own beliefs, work ethics, values, attitudes, and expectations (Niemiec, 2000) according to which organizations continue to change and adapt (Scandura &Williams, 2000). Thus, organizations have to be innovative in recruiting and retaining the millennials along with the older generations (Criswell & Martin, 2007; Bannon, et al., 2011), which serves as both a challenge and an opportunity for organizations (Lancaster &Stillman, 2002). Talent retention is one of the major issues concerning the millennials for their love of changing jobs and challenging work. Organizations need to invest in unique and innovative human resource practices, for attracting, hiring, motivating, managing and retaining the Millennials (Burgess, 2008; Trunk, 2007; Wood, 2015; Garcia, 2016) which in turn will act as a competitive advantage for the organizations practicing it(Gilbert, 2011). Soon, Gen Z will be taking over the millennial population hence the organization needs to adapt to that change as well as changes take place gradually (Levenson, 2010).

The Millennials: Changes in Working Style

The changes in the working style of the companies are quite evident in recent times.

1. Open workspaces: Millennials love to work in an open environment (Meier & Crocker**,** 2010**;** Cahill & Sedrak, 2012; Eversole et al., 2012) where they have flexibility in terms of working hours and location, not following the 9 to 5 work schedule and allowing to work from home or remotely. Hence organizations these days are providing employees with benefits as they prefer.

2. Tech-friendly setup: Millennials are tech-friendly people who make high use of technology at work and also love to keep it in portable form (Bannon et al., 2011) so that they can check their cell phones or laptops even if they are not on work. They are more open to working anywhere at any time compared to the other generations **(**Meier & Crocker**,** 2010) and reply to office emails even on holidays or when they are on the go. They are open to recruitment through social media or video call interviews (Alsop, 2008) and prefer video conferencing when they are not available at work. They always like to remain connected.

3. Informal organization: Organisations these days have an informal setup, especially in the case of start-ups. It is because of the new generation's love for informal meetings and flexible work environments that include team workspaces (Bannon, et al., 2011). Informal learning is also encouraged through the use of social media and various apps. They also love to be in their pair of comfortable clothing at work, and many companies are dealing with this issue by offering casual Fridays or making the dress code less restrictive **(**Meier & Crocker**,** 2010)

4. Quick breaks: Organisations provide free coffee in the workplace. They understand that breaks are an important part of their work (Cekada, 2012), and taking breaks in between work makes them more productive. This generation can work productively when given short breaks as these breaks help them to refresh and can work better with more energy.

5. Fun culture: Fun is considered to be a very important ingredient in a workplace (Michel et al., 2019) as authors (Yerks, 2003; Caccamese,2012; Vorhauser-Smith, 2013) believe that fun helps in promoting engagement, better relationship, trust, and motivation; which in turns affects job satisfaction (Peluchette & Karl, 2005; Karl & Peluchette, 2006; Hsieh, 2010). It positively affects trust in supervisors and co-workers, talent retention, and job performance (Michel et al., 2019). Hence organizations these days are seen to incorporate fun in various ways by organizing events and celebrating birthdays and special occasions.

6. Dynamic learning: Generation Y loves to learn new things that let them explore, for which the organizations have been using technology-based learning methods with video and multimedia, Internet online tools such as blogs, texting, wikis, and social networking (Cekada, 2012; Farrel & Hurt, 2014; Sharma, 2016). It encourages Collaborative learning by sharing ideas and interaction within the organization.

7. Project-based works: Since they love working in teams (Gavatorta,2012), millennials are given the chance to work on project-based tasks so that they can maximize their output with the help of their team members.

8. More freedom: Managers these days do not control the employees as they know that the new generation does not like to be ordered or controlled, rather they want the freedom to work, according to their will (Sheahan, 2005; Bielaszka-DuVernay, 2007; Romero, 2012; Chaturvedi, 2013). Managers can check on their progress and coach them or offer to help and teach them (Romero, 2012).

9. Corporate Social Responsibility: Managers encourage the voluntary participation of employees in social activities as they want to work for companies that help people (Bannon et al., 2011). It makes them happy and boosts their morale and satisfies their desire to give back to the community and engage in work that has a greater purpose (Hewlett, et al., 2009)

10. Sociability: Organisations these days comprise people from different nations, communities, and races and since millennials love working in teams and they put special importance on relationships, employees are seen to have a greater tolerance for other people's races, nationalities and gender preferences (Behrens, 2009). This promotes equality and cordial relationship among the employees. Even outside the workplace, employees prefer having team dinners and team lunches, which are an important part of work life (Mycoskie, 2012).

11. Awards and Recognition Programs: Since Generation Y workers love to receive appreciation for a job well-done, companies are enhancing awards and recognition programs

to keep them motivated. They are being praised and immediate feedback is given. Cekada (2012) stated that more value is put on the speed of the response rather than on its accuracy. They are even motivated by a thank you through electronic mediums, such as text or instant messages (Cekada, 2012). They are even open to positive criticism in a constructive way.

Organizations also provide various other benefits for their employees such as options for telecommuting (Cahill & Sedrak, 2012), a family-friendly environment where members of the family are invited to the workplace on special occasions, medical insurance, paid holidays, ample paid vacation, meal coupons, nap rooms, free gym memberships, in-office snack bars and even sleeping pods. All organizations offer such perks and benefits as they realize that without these efforts, they won't be able to retain employees.

The Millennials: Practices

The Millennials expect more from their job, they believe in self-improvement, by constantly asking for more work and completing the job well **(**Meier & Crocker**,** 2010**)** unlike the other generations. The companies that are in the Top Best Workplaces for Millennials of 2020 (US-based companies), truly reflect why the new generation loves working in these companies.[1] The top 20 companies in the list share common HR initiatives like work-time flexibility(Hilton, Cisco); opportunities for self-improvement (Hilton, Kimley-Horn, Cisco); fairness (Hilton); care to the employees (Hilton, Salesforce, Cisco, Veterans United Home Loans); cares about the environment, human rights, women rights, LGBTQ (Salesforce, Cisco, UKG); job rotation (Workday); updated technology(Kimley-Horn); feeling valued and appreciated (Edward Jones, Veterans United Home Loans); Independent decision making (Power Home Remodelling); Openness, sharing of ideas (Red Hat, HubSpot, Zillow), opinions of people at a lower level is encouraged and heard (HubSpot); strong feedback (HubSpot); work-life balance (Slalom, LLC. Navy Federal Credit Union); innovation (Orrick). UKG, formerly known as Ultimate Software has a unique working environment that suits the millennials, they are provided with health coverage, personal time off, paid maternity and paternity leave, and other perks such as onsite fitness classes, free monthly breakfast, the birthday celebration of employees, team outings, massage, acupuncture programs, game rooms, free ice cream truck once in a month. [2]

These clearly show how the characteristics determine the working style and help in retaining employees and make them feel connected and worthy of the job. Certain other exemplary practices followed by organizations are also discussed that can serve as examples for other organizations. Kimley-Horn, one of the top 10 companies for millennials, in 2020, has a practice of welcoming new employees with a welcome email, calls from their team, and a letter from the president, thanking them for joining the firm even before they join the office. That shows how concerned are they for the new entrants. In KPMG, stories that have made a positive difference in the world are submitted by the employees and are shared using electronic, print, video, and social media. Similarly, Burlington Stores, Inc. highlights employees for a job well done by mentioning them on their social media pages with the hashtag #MentionMonday.[3] Such activities keep the employee motivated to perform better every coming day. Netflix also has an unusual workplace culture where employees can take holidays as and when they want as long it doesn't affect the business. The employees are also given parental leave for any period they want.[4] This shows the confidence level of the employer in its employees.

Coming to a few Indian organization, Sai & Swathi (2012) talks about the HR practices at Tata Chemicals, where the first and fourth Fridays of the month are declared as Home station days and special care is been taken so that employees can have some family time. Another exceptional practice is “Home Shanti Home” where lights are switched off once office time is over so that employees can maintain a perfect work-life balance. “Mood Monitor” is another cute way of knowing the mood of the employees, with the help of a device that indicates his or her mood by simply moving a hand. Since generation Y loves sharing, Cheer Ring is a brass bell that is hung at all TCL offices across India, and anyone can make any announcement by ringing the bell and sharing their happy moments with their colleagues.

FINDINGS

This study on the millennial generation helped in identifying the traits that impact the working style and how organizations have embraced the changes in innovative HR practices. The three parts of the study made it quite evident that the millennials did influence the culture of an organization. Millennials expect more from their job, they should feel wanted and appreciated and that they are contributing towards a purpose by putting their viewpoints forward for the betterment of the organization. This is beneficial because they add creative and innovative value to a company. They love challenges and taking up work where there are ample opportunities for development and learning new things. They love positive criticism and prefer to get coached rather than being asked what is to be done. They want the workplace to be filled up with fun and celebration and they also want to maintain a good work-life balance. Millennials have different ways of dealing with stress, be it engaging in activities outside the office for fun that keeps them refreshed. Hershatter & Epstein (2010) pointed out that Millennials care about authenticity and institutional values, but Kendall in Kilber (2014) stated that managing Generation Y is difficult as they question the authority at times, but according to Sheahan (2005), it is not about questioning the superiors but questioning the effectiveness of the way the work is being done. The millennials are also said to be less comfortable tolerating conflict than the previous generations and they don’t take things at face value, but they would like to get into deep over any situation.

CONCLUSION

Members of different generations have different life experiences based on which they view the organizations (Glass, 2007). Each generation has unique skills and traits and values different leadership qualities, which can be used for cross-generational mentoring (Hewlett, et al., 2009; Beekman, 2011), where generations can come together to learn from each other. There should be a mutual exchange of ideas where ego should take a back seat. Generation X should be able to appreciate the strengths and knowledge of the Y generation and learn to understand new things, while Generation Y can learn from their experiences. With Generation Z, coming into the workforce very soon, the challenges for the managers are going to be increased and they should be gearing up for these new kids. It will be interesting to see how the three generations, X, Y, and Z will be working together by adapting to the changes. Managers can manage them through creativity, innovation, positivity, and a supportive work environment. HR needs to prepare itself very strategically and proactively to face this challenge. And everything is possible with love as stated by Barsade & O’Neill (2014), love is what is required to build trust among employees and engagement. Since all the generations have to work together, it is important that they are empathetic towards each other and deal with straightforward and open-ended questioning, so that there emerges a bond and they can work in harmony by contributing mutually for the benefit of each other.

REFERENCES

Adams, S. J. (2000). Generation X: How understanding this population leads to better safety programs. *Professional Safety, 45*, 26-29.

Alsop, R. (2008). The trophy kids group up How the Millennial generation is shaping up the workplace. San Francisco: Jossey-Bass.

Alsop, R. (2008, October 21). The trophy kids go to work. The Wall Street Journal.

Andert, D. (2011). Alternating leadership as a proactive organizational intervention: addressing the needs of the baby boomers, generation xers and millennials. *Journal Of Leadership, Accountability & Ethics, 8*(4), 67-83.

Balda, J. B., & Mora, F. (2011). Adapting leadership theory and practice for the networked, Millennial generation. *Journal of Leadership Studies, 5*(3), 13-24.

Bannon, S., Ford, K., & Meltzer, L. (2011). Understanding Millennials in the workplace. CPA Journal, 81(11), 61-65.

Barsade, S and O'Neill, O. A (2014). Employees Who Feel Love Perform Better. Harvard Business Review. (https://hbr.org.2014/01/employees-who-feel-love-perform-better)

Beekman, T. (2011). Fill in the generation gap. *Strategic Finance, 93*(3), 15-17.

Behrens, W. (2009). Managing Millennials. *Marketing Health Services, 29*(1), 19-21.

Bielaszka-DuVernay, C. (2007). Micromanage at your peril. *Harvard Management Update, 12*(2), 3.

Borges, N. J., Manuel, R. S., Elam, C. L., & Jones, B. J. (2010). Differences in motives between Millennial and Generation X medical students. *Medical Education, 44,* 570–576. https://doi.org/10.1111/j.1365-2923.2010.03633.x

Bradford FW. 1993. Understanding 'Generation X.' Marketing Research 5: 54.

Brant, K. K., & Castro,S. L. (2019). You can't ignore millennials: Needed changes and a new way forward in entitlement research. Human Resource Management Journal., 1-12

Burgess, J., 2008. Manage the New Workforce Generation Y (Millennials). Available at http://redfusionmedia.com/managing-generation-y-millennials/

Burke, R. J., & Ng, E. (2006). The changing nature of work and organizations: Implications for human resource management. Human Resource Management Review, 16, 86-94.

Caccamese, L. (2012). Five ways to have more workplace fun. http://www.greatplacetowork.com/publications-and-events/blogs-and-news/981, Accessed date: 2 December 2013.

Cahill, T. F., & Sedrak, M. (2012). Leading a Multigenerational Workforce: Strategies for Attracting and Retaining Millennials. *Frontiers Of Health Services Management, 29*(1), 3-15.

Cekada, T. L. (2012). Training a multigenerational workforce. Professional Safety, 57(3), 40-44.

Chaturvedi, V. (2013). Managing Millenials - A Futuristic Approach towards Building Tomorrow's Leaders. *Trends and challenges in global business management.* 250-255

Chou, S. Y. (2012). Millennials in the workplace: A conceptual analysis of millennials' leadership and followership styles. International Journal of Human Resource Studies, 2(2), 71-83. ps://doi.org/10.5296/ijhrs.v2i2.1568

Costanza, D. P., Badger, J. M., Fraser, R. L., Severt, J. B., & Gade, P. A. (2012). Generational differences in work-related attitudes: A meta-analysis. Journal of Business and Psychology, 27, 375-394.

Criswell, C. and A. Martin. 2007. "10 Trends." Center for Creative Leadership. Retrieved from www.ccl.org.

De Hauw, S., & De Vos, A. (2010). Millennials' career perspective and psychological contract expectations: Does the recession lead to lowered expectations? Journal of Business and Psychology, 25, 293–302. https://doi.org/10.1007/s10869- 010-9162-9

Deal, J. J., Altman, D. G., & Rogelbberg, S. G. (2010). Millennials at work: What we know and what we need to do (if anything). Journal of Business and Psychology, 25, 191-199.

DeVaney S., 2015. "Understanding the Millennials". Journal of Financial Services Professional Data, (4) 11-14

Deyoe, R. H., & Fox, T. L. (2011). Identifying strategies to minimize workplace conflict due to generational differences. Journal Of Behavioral Studies In Business, 41-17.

Elam, C., Stratton, T., & Gibson, D. (2007). Welcoming a new generation to college: The millennial students. Journal of College Admission, 195, 21-25.

Erickson,T(2009) .*Gen Y in the Workforce.*Harvard Business Review, February

Espinoza, C., Ukleja, M., & Rusch, C. (2010). Managing the Millennials: Discover the core competencies for managing today's workforce. Hoboken, New Jersey: John Wiley & Sons, Inc.

Evans, B. (2011). The millennial generation is productive in the workplace. In D. Haugen & S. Musser (Eds.). The Millennial generation. (pp. 56-65). Greenhaven Press.

Eversole, B., Venneberg, D. and Crowder, C., 2012. "Creating a Flexible Organizational Culture to Attract and Retain Talented Workers Across Generations", SAGE Journals, 14 (4): 607 - 625

Farrel L. and Hurt A. 2014. "Training the Millennial Generation: Implications for Organizational Climate", Journal of Organizational Learning and Leadership, 12 (1): 47- 60

Garcia, N., 2016. Millennials: a challenge for Human Resources. Available at http://blog.ferrovial.com/en/2016/05/millennials-a-challenge-for-human-resources/

Gavatorta, S. (2012). It's a Millennial thing. T+D, 66(3), 58-65.

Geoffrey, M., and Schewe, C, 1994. "The Power of Cohorts". American Demographics 16 (2): 22-27, 30-31.

Gilbert, J. (2011). The millennials: A new generation of employees, a new set of engagement policies. Ivey Business Journal, 75(5), 26-28.

Glass, A. 2007. "Understanding Generational Differences for Competitive Success." Industrial and Commercial Training 39(2): 98-103.

Guha, A. (2010). Motivators and hygiene factors of Generation X and Generation Y-the test of two-factor theory. Vilakshan: The XIMB Journal Of Management, 7(2), 121-132.

Gursoy, D., Maier, T. A., & Chi, C. G. (2008). Generational differences: An examination of work values and generational gaps in the hospitality workforce. International Journal of Hospitality Management, 27, 458-488.

Harris-Boundy, J., & Flatt, S. J. (2010). Cooperative performance of Millennials in teams. Review of Business Research, 10, 30-46.

Hauw, S., & Vos, A. (2010). Millennials' career perspective and psychological contract expectations: does the recession lead to lowered expectations? Journal of Business & Psychology, 25(2), 293-302.

Henderson, J. Maureen. 2012. "Shut up, Sheryl Sandberg: Millennial Women Reject Role Models, Mentors." Forbes, July 2. http://www.forbes.com/sites/jmaureenhenderson/2012/07/02/shut-up-sheryl-sandbergmillennial-women-reject-role-models-mentors/#5e7ce1ab754c (accessed in 2017).

Hershatter, A., & Epstein, M. (2010). Millennials and the world of work: An organization and management perspective. Journal of Business and Psychology, 25(2), 211-223. https://doi.org/10.1007/s10869-010-9160-y

Hewlett, S. A., Sherbin, L., & Sumberg, K. (2009). How Gen Y & Boomers will reshape your agenda. Harvard Business Review, 87(7/8), 71-76.

Hill, L. A. (2008). Where will we find tomorrow's leaders? Harvard Business Review, 23, 123-129.

Hill, R. P. (2002). Managing across generations in the 21st century: Important lessons from the ivory trenches. Journal of Management Inquiry, 11(1), 60-66

Howe, N., & Strauss, W. (1997). The fourth turning: What the cycles of history tell us about America's next rendezvous with destiny. New York, NY: Broadway Books.

Howe, N., & Strauss, W. (2000). Millennials rising: The next great generation. New York: McGraw-Hill. /Howe, N., & Strauss, W. (2000). Millennials rising: The next great generation. New York: Vintage Books.

Howe, N., & Strauss, W. (2007). Millennials go to college. Great Falls, VA: LifeCourse

Howe, N., & Strauss, W. (2007). The next 20 years: How customer and workforce attitudes will evolve. Harvard Business Review, 85(7/8), 41-52.

Hsieh, T. (2010). Delivering Happiness: A path to profits, passion, and purpose. New York, NY: Hachette Book Group.

Jacobson, W. S. (2007). Two's company, three's a crow, and four's a lot to manage: Supervising in today's intergenerational workplace. Popular Government, 17, 18-23.

Jayson, S. (2006). The millennial generation is highly motivated and overwhelmed with work. In D. Haugen & S. Musser (Eds.), The Millennial generation. (pp. 75-82). Greenhaven Press.

Jeffries, F. L. & T. L. Hunte. 2003. "Generations and Motivation: A Connection Worth Making." Journal of Behavioral and Applied Management 6(1): 37-70.

Jennings, A. T. (2000). Hiring generation-X. Journal of Accountancy, 189, 55-59.

Jurkiewicz CE. 2000. Generation X and the public employee. Public Personnel Management 29: 55–74.

Jurkiewicz, C. & Brown R. and 1998. "GenXers vs. boomers vs matures: generational comparison of public employee motivation." Review of Public Personnel Administration 18:18 – 37

Jurkiewicz, C. E. (2000). Generation X and the public employee. Public Personnel Management, 29, 55-74.

Kaifi, B. A., Nafei, W. A., Khanfar, N. M., & Kaifi, M. M. (2012). A multi-generational workforce: managing and understanding millennials. International Journal of Business & Management, 7(24), 88-93.

Kapoor C., Solomon N., 2011. "Understanding and managing generational differences in the workplace" Worldwide Hospitality and Tourism Themes 3 (4):308 - 318

Karl, K. A., & Peluchette, J. V. (2006a). Does workplace fun buffer the impact of emotional exhaustion on job dissatisfaction? A study of healthcare workers. Journal of Behavioral and Applied Management, 7, 128–141.

Karp H, Sirias D, Arnold K. 1999. Teams: why generation X marks the spot. The Journal for Quality and Participation 22: 30–33.

Kilber, J., Barclay, A. & Ohmer, D. (2014). Seven tips for managing Generation Y. journal of management policy and practice, 15 (4), 80-91.

Kowske, B., Rasch, R., & Wiley, J. (2010). Millennials (lack of) attitude problem: An empirical examination of generational effects on work attitudes. Journal of Business & Psychology, 25, 265-279. https://doi.org/10.1007/s10869-010- 9171-8

Kupperschmidt, B. R. (2000). Multigeneration employees: Strategies for effective management. The Health Care Manager, 19, 65-76.

Lancaster, L. C. and D. Stillman. 2002. When Generations Collide: Who They are, Why They Clash, How to Survive the Generational Puzzle at Work. New York, NY: Harper Business.

Levenson, A. (2010). Millennials and the world of work: an economist's perspective. Journal of Business & Psychology, 25(2), 257-264.

Lowe, D., Levitt, K., & Wilson, T. (2008). Solutions for retaining Generation Y employees in the workplace. Business Renaissance Quarterly, 3, 43-57.

Marston, C. (2007). Motivating the "what's in it for me?" workforce: Manage across the generational divide and increase profits. Hoboken, NJ: Wiley.

Martin, C. A. (2005). From high maintenance to high productivity: What managers need to know about Generation Y. Industrial and Commercial Training, 37, 39-44.

McGlone, T., Spain, J. W., & McGlone, V. (2011). Corporate social responsibility and the Millennials. Journal of Education for Business, 86, 195-200.

Meier, J & Crocker, M. (2010).Generation Y in the workplace: Managerial Challenges. *The Journal of Human Resource and Adult Learning, 6(1)*, 68-78.

Meister J., Willyerd K., 2010, "Mentoring Millennials", Harvard Business Review. Journal about Business and Psychology, 25(2): 225 - 238./ Meister, Jeanne C. and Karie Willyerd. 2010. "Mentoring Millennials." Harvard Business Review, 88(5): 68-72.

Meister, J. (2012, October). Three reasons you need to adopt a Millennial mindset regardless of your age. Forbes.

Michel, J.W., Tews. M.J. & Allen, D.G. (2019). Fun in the workplace: A review and expanded theoretical perspective. *Human Resource Management Review*, *29*, 98–110

Mycoskie, Blake. (2012). Start something that matters. New York, NY: Speigel & Grau Trade Paperbacks.

Myers, K. K., & Sadaghiani, K. (2010). Millennials in the workplace: A communication perspective on Millennials' organizational relationships and performance. Journal of Business and Psychology, 25(2), 225-238.

Ng, E. S., Schweitzer, L., & Lyons, S. T. (2010). New generation, great expectations: A field study of the millennial generation. Journal of Business and Psychology, 25(2), 281–292. https://doi.org/10.1007/s10869-010-9159-4

Nielsen Company Report, 2014. Millennials breaking the myth. Available at http://www.nielsen.com/us/en/insights/reports/2014/millennials-breaking-the-myths.html.

Niemiec, Susan. 2000. "Finding Common Ground for All Ages." SDM: Security Distributing & Marketing, 30(3): 81.

O'Bannon G. 2001. Managing our future: the generation X factor. Public Personnel Management 30: 95–109.

Peluchette, J., & Karl, K. A. (2005). Attitudes toward incorporating fun into the health care workplace. The Health Care Manager, 24, 268–275.

Prensky, M. 2001 "Digital Natives, Digital Immigrants", On the Horizon, 9:(5)

Putre, L. (2013). Generations in the workplace. (cover story). H&HN: Hospitals & Health Networks, 87(1), 26-31.

Pyöriä, P., Ojala, S., Saari,T., & Järvinen, K.M. (2017). The Millennial Generation: A New Breed of Labour? SAGE Open . January-March 2017: 1–14 (DOI: 10.1177/2158244017697158)

Reisenwitz, T. H., & Iyer, R. (2009). Differences in Generation X and Generation Y: Implications for the organization and marketers. Marketing Management Journal, 19(2), 91-103.

Romero, E. J. (2012). Stop micromanaging: It isn't the same as attention to detail. Sales & Service Excellence, 12(9), 8.

Safer, M. (2007). 60 Minutes: The "Millennials" are coming television broadcast! New York: CBS Corporation.

Sai & Swathi (2012). Managing Generation Y- Some Issues, Challenges and HR Initiatives in Mishra et al. (Eds). Today's HR for sustainable future, pp-100-112.

Scandura, Terri A., and Ethlyn A. Williams. 2000. "Research Methodology in Management: Current Practices, Trends, and Implications for Future Research." The Academy of Management Journal, 43(6): 1248-64.

Schullery, N. M. (2013). Workplace engagement and generational differences in values. Business Communication Quarterly, 76(2), 252-265.

Scott J. 2000. Is it a different world to when you were growing up: generational effects on social representations and child-rearing values. British Journal of Sociology 51: 355–376.

Sharma, A. 2016. Designing learning for Millennials. Available at https://www.td.org/Publications/Magazines/TD/TD-Archive/2016/06/Designing-Learning-for-Millennials

Sheahan, P. (2005). Generation Y: Thriving (and surviving) with Generation Y at work. Victoria, Australia: Hardie Grant Books.

Smith, T. J & Nichols, T. (2015). Understanding the Millennial generation. Journal of Business Diversity, 15(1), 39-47.

Smola, K. W., & Sutton, C. D. (2002). Generational differences: Revisiting generational work values for the new millennium. Journal of Organizational Behavior, 23((4), 363–382. https://www.jstor.org/stable/4093812)

Solnet, D. & Kralj, A. (2012).Generational Differences in Work Attitudes: Evidence from the Hospitality Industry. Hospitality Review, 29(2), 37-54. Available at: http://digitalcommons.fiu.edu/hospitalityreview/vol29/iss2/3

Solomon, Charlene. 2000. "Ready or Not, Here Come the Net Kids." Workforce, 79(2): 62-68.

Strauss, W and Howe, N. 1991. Generations. New York, NY: Harper Perennial.

Strauss, W., & Howe, N. (1991). Generations: The history of America's future, 1584 to 2069. New York, NY: William Morrow & Company, Inc.

Suleman, R., & Nelson, B. (2011). Motivating the Millennials: Tapping into the potential of the youngest generation. *Leader to Leader, 62*, 39-44.

Tapscott, D. (2009). *Grown up digital, how the Net Generation is changing your world*. New York, NY:

Trunk, P. (2007). What Gen Y really wants. Retrieved July 26, 2009, from Time Magazine, http://www.time.com/time/magazine/ article/0,9 171,1 640395,00.html. /http://www.time.com/time/magazine/article/0,9171,986481,00.html

Trzesniewski, K. H., & Donnellan, M. B. (2010). Rethinking "Generation Me": A study of cohort effects from 1976-2006. Perspectives on Psychological Science, 5, 58–75. https://doi.org/10.1177/1745691609356789

Tulgan, B. (2009). *Not everyone gets a trophy: How to manage Generation Y.* San Francisco, California: Jossey-Bass.

Tulgan, B., & Martin, C. (2001). *Managing Generation Y: Global citizens born in the late seventies and early eighties.* Amherst, Massachusetts: HRD Press, Inc.

Twenge, J. and Campbell, W. (2003). Isn't it fun to get the respect that we're going to deserve? Narcissism, social rejection, and aggression. *Personality and Social Psychology Bulletin, 29*(2), 261 - 272

VanMeter, R. A. , Grisaffe, D. B., Chonko L. B., & Roberts J. A. (2013). Generation Y's Ethical Ideology and Its Potential Workplace Implications. *Journal of Business Ethics,117*(1), 93-109(https://www.jstor.org/stable/42001969)

Vorhauser-Smith, S. (2013). How the best places to work are nailing employee engagement? Retrieved December 3, 2013, http://www.forbes.com/sites /sylviavorhausersmith /2013/08/14/how-the-best-places-to-work-are-nailing-employee-engagement/print/.

Wood, K. 2015, Millennials in the Workplace: How Will They affect Hiring? Available at http://www.business.com/recruiting/millennials-in-the-workplace-how-do-they-affect-hiring/ *workforce attitudes will evolve". Harvard Business Review, 85(7), pp.*

Yerks, L. (2003). How to create a place where people love to work? *Journal for Quality & Participation, 26*, 47–50.

Yu, H. C., & Miller, P. (2005). Leadership style. *Leadership & Organization Development Journal, 26*(1), 35–50.

Zemke, R., Raines, C., & Filipczak, B. (2000). Generations at work: Managing the clash of veterans, boomers, Xers, and nexters in your workplace. New York

WEBLINKS:

https://www.greatplacetowork.com/best-workplaces/Millennials/2020

https://www.ukg.com/careers

https://www.greatplacetowork.com/resources/blog/15-practice-areas-critical-to-achieving-a-great-workplace

http://www.icslearn.co.uk/blog/posts/2018/july/the-future-of-hr-4-unusual-hr-strategies-from-innovative-companies