



# MAIMS JOURNAL OF MANAGEMENT

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# Stock Market Volatility (SMV) and Macro Economic Variables (MEV) With Reference to China: Empirical Analysis

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## **Abstract**

*This article is to empirically observe SMV in China. It concentrates on the SMV and Macro Economic Factors (MEF) through various factors affecting the MEVs. The period of study has considered for 8 years during 2009-2016 This study is based on secondary data only and is concerned to the Reserve Bank of China. Stock Return (SR) Exchange Rate (ER), Index of Industrial Production (IIP), Interest Rate (IR), Money Supply (MS) and Oil Price (OP). (SRs) are tested using (Eviews) software. Descriptive Statistics, Auto Regressive Conditional Heteroskedasticity (ARCH), Unit Root Test (Augmented Dickey Fuller Test, Phillips-Perron Test), Johansen Co- integration Test and Granger Causality Test have been applied for investigation. The results depicted that Stock Return has significant effect with respect of selected macroeconomic variables i.e. IR, OP and ER have impact on SR selected by SMV in China.*

**Keywords:** SMV, MEV, SR, IR, OP, ER

## **Introduction**

The growing economic prominence of china is one of the major forces shaping the global economy. The stock markets of this country became more integrated than the other developed economies in connection with trade and investment. Over the past few years, financial markets are growing at global level. The integration of financial markets across boundaries had been initiated by

the capital market in developed countries.

Joydeep (2006), revealed in the study the impact of financial liberalization on growth, development and efficiency of the Indian Stock Market (SM). The study has considered from the year 1991 to 2005. The finding of the study shows the development of the Indian 'SM' in the post liberalization decade is positively impressive. In the post-reform, trading in the Indian 'SM'

became increasingly determined in a few sectors and companies. Jian Yang et al. (2006), studied on long-run price relationship and the dynamic price broadcast of the USA, Germany, and major Eastern European emerging stock markets during 1998 of Russian financial crisis. The study found long-run price relationship with the dynamic price broadcast which were strengthened in the markets in post crises period. Anand (2009), investigated and finding of the study shows no significant changes in the Indian 'SM' average returns. Volatility is significantly reduced when India wide opens its 'SM' to overseas investors.

Humpe (2007), investigated Macro Economic Variables (MEVs) which influence Stock Price (SP) in the US and Japan. The study concluded that stock prices index is positively related with industrial production and an insignificant relationship exist between US stock prices and the money supply. SP are influenced (+vely) by IIP and negatively (-vely) by the MS. The another finding of the study depicts that the result of co-integration vector model concluded that the industrial production is influenced negatively but the consumer price index and a long-term IR are influenced positively.

Lucas (2010), examined the effects of ME developments on credit quality and lending behavior of banks' performance in Kenya to estimate dynamic panel data. The study has used a model of Generalized Method of Moments for analysis. The study inferred that banks

behavior was largely influenced by macroeconomic developments. The study found that there was an effect of macroeconomic developments on bank behavior. Olasunkanmi (2011) carried out AR-EGARCH technique was used to inspect the Stock Market Volatility (SMV) and 'MEVs' in Nigeria for the periods during 1986-2010. The study inferred bi-causal relationship between 'SMV' and real (GDP)

volatility in Nigeria was found. Bhagirath (2013), examined the global governance crisis especially with respect to the financial crisis at global level, and it is empirically examined the solutions planned by group of experts and scholars. The study explored the alternative role of the "BRICS" countries in global economic governance.

Uwe (2013) examined the relationship between state economy and capital-labour. The study concluded that state economy and capital labour are relevant for emerging economies during the institutional period of change during 1998-2008. David (2014), argued and concluded that socio-cultural values were the best forecaster of "Compared Responsibility". Mayamiko (2015), examined the effect of capital market liberalization and collates concern 'MEVs' on economies of "BRICS" to discover the study with regard to contingent reserve facility. The study concluded that CRA facility has not given green signal of a significant break from the Britton Woods institutions of the "BRICS" nations

**Table 1: A Brief Country Statistics: China**

Particulars	Statistics		Country Comparison to the world
	2017	2016	
Population	1,379,302,771 (July)		1
GDP (Purchasing power parity)	\$23.16 trillion	\$21.7 trillion	1
GDP ER	\$12.01 trillion	-	-
GDP real growth rate	6.9%	6.7%	20
Gross national savings	45.8% of GDP	45.9% of GDP	5
GDP composition by sector	Agriculture – 8.3% Industry -39.5% Services -52.2%	-	-
Unemployment rate	3.9%	4%	48
Industrial production growth rates	6.2%	-	32
Export	\$2.157 trillion	\$1.99 trillion	1
Import	\$1.731 trillion	\$1.495 trillion	4
ER	7.76	6.64	-
Crude oil Production	-	3.981 million bbl/day	6
Crude oil export	-	32.000 bbl/day (2014)	46
Crude oil Import	-	6.167 million bbl/day	2

Source: (CIA World Fact Book )

**Table 2: List of Variables Used**

Variables		Acronyms
Dependent Variable	Stock Return	SR
Independent Variables	Exchange Rate (ER)	ER
	Index of Industrial Production (IIP)	IIP
	Interest Rate (IR)	IR
	Money Supply (MS)	MS
	Oil Price (OP)	OP

### Primary Objectives:



- ✓ To observe the ‘SMV’ and macroeconomic factors with refer to *China*.
- ✓ To evaluate the relationship and impact of ‘SMV’ on macroeconomic factors of *China*.

#### Secondary Objectives:

- ✓ To identify the long-run relationship between macroeconomic factors on ‘SMV’ of *China*
- ✓ To locate the causality of Macroeconomic factors on ‘SMV’ of *China*.
- ✓ To study the volatility of ‘SR’ and macroeconomic factors of the respective indices.

#### Hypotheses Developed for the Study:

*H<sub>01</sub>*: “SR and ‘MEVs’ do not have stationary in *CHINA*”.

*H<sub>02</sub>*: “SR and ‘MEVs’ do not have long-run relationship in *CHINA*”.

*H<sub>03</sub>*: “Causality does not exist between SR and ‘MEVs’ in *CHINA*”.

*H<sub>04</sub>*: “There is no similar trend of SR and ‘MEVs’ in *CHINA*”.

#### Research Methodology and The Data and Data Sources

- ❖ Type of Data: SMV, SR and MEVs are collected from the Reserve Bank of China during the year 2009-2016.
- ❖ To explore the relationship between SR and MEVs, IR, Crude oil price per barrel US \$, ER Rupees per US \$ from the year 2009-2016.
- ❖ The monthly data and observations are collected with regards to MEVs, ER, *IIP*, *IR*, *MS*, and *OP*, from BSE China Sensex, BSE China (market capitalization) and BSE China (market turnover) consists 8 years from 2009-2016. The data have been collected from Reserve Bank of China.
- ❖ Eviews Analysis, *Descriptive Statistics*, *Auto Regressive Conditional Heteroskedasticity (ARCH)*, *Unit Root Test (Augmented Dickey Fuller Test, Phillips-Perron Test)*, *Johansen Co- integration Test and Granger Causality have been used for comprehensive analysis.*

**Table 3: Descriptive Statistics of ‘MEVs’ in CHINA**

Variables Stationary	IR	MS	IIP	OP	ER	SR
Mean	5.708229	15.40719	10.05417	4118.896	7.269941	2693.222
Median	5.905000	13.86000	9.300000	4165.000	7.356400	2647.228
Minimum	4.350000	10.10000	5.600000	3783.000	4.432200	1979.206
Maximum	6.560000	27.68000	19.20000	4408.000	9.256000	4611.744
Std.Dev	0.543060	3.964828	3.417445	156.8894	1.532719	544.1882
Skewness	-0.406110	1.286929	0.622089	-0.563741	-0.203115	1.057996
Kurtosis	2.729991	3.933796	2.648681	2.355481	1.809342	4.483164
Jarque-Bera	2.930429	29.98686	6.685623	6.746491	6.330763	26.70887
Probability	0.231028	0.000000	0.035337	0.034278	0.042198	0.000002

Source: Author's computation.

Table 3 showed that the mean estimation of OP while SR individually the co-effective of disparity is most in case of 'MEV' which shows greatest volatility and it is low in case of ER. The highest skewness value MS as their mean values better than the mode and median value. Similarly least means an incentive in IR (5.708229) and additionally pursued by the standard

deviation most minimum esteem (0.543060) of the series. Most extreme and least insights statistics means upper and lower limits of the variable under the study during the period. Jarque-Bera test measurement measure the distinction of the skewness and kurtosis of the data series from the typical dispersion.

**Table 4: ARCH Model in China**

Variable	Coefficient	Std. Error	z-Statistic	Prob.
@SQRT(GARCH)	3.318566	0.865614	3.833772	0.0001***
INTEREST_RATE	292.1521	100.2645	2.913815	0.0036***
MONEY_SUPPLY	-4.699115	12.74759	-0.368628	0.7124
INDEXOF_INDUSTRIAL_PRODU	13.03910	17.78426	0.733182	0.4634
OIL_PRICE	0.592246	0.278829	2.124051	0.0337**
EXCHANGE_RATE	112.1630	32.99548	3.399345	0.0007***
C	-3395.677	1588.311	-2.137917	0.0325
<b>Variance Equation</b>				
C	1379.466	1659.090	0.831459	0.4057
RESID(-1)^2	0.363441	0.137154	2.649874	0.0081
GARCH(-1)	0.747510	0.072362	10.33011	0.0000

\*\*\*Significant at 1%, \*\* 5% and \* 10%.

Table 4 presents the analysis that std. error in OP (0.279), IR (100.264) and ER (32.995) in these variables are showing the significant value in OP (0.033), IR (0.003), and ER (0.000), positively significant in 1% and 5%

level, but SR is not influenced by IR and IIP. It is inferred that the null hypothesis of the residuals terms being H on account of SR and 'MEVs' is rejected in connection with SR and 'MEV' variables.

**Table 5: Unit Root Test (Augmented Dickey Fuller and Phillips Perron) in CHINA**

Variables	Augmented Dickey-Fuller Test			Phillips Perron Test		
	On Levels	On First difference	On 2 <sup>nd</sup> difference	On Levels	On First difference	On 2 <sup>nd</sup> difference
IR	-	-	0.0000***	-	-	0.0001***
MS	-	0.0359**	-	-	0.0481**	-
IIP	-	0.0118**	-	-	0.0241**	-
OP	0.0116**	-	-	-	0.0178**	-
ER	-	0.0010***	0.0000***	0.0012***	-	-
SR	-	-	0.0000***	-	-	0.0001***

Significant \*\*\*1%, \*\* 5% and \* 10%.

Table 5 revealed the result of the unit root tests for on level, first difference and second difference stationary are directed with only a constant term. The outcomes recommend that all series contain a solitary unit root which requires second-differencing to accomplish stationary. ADF test and PP test to derive the unit root in time series. In ADF refers OP (0.011) is significant in on level. MS (0.035), IIP (0.011) and ER (0.001) are significant in 1<sup>st</sup> difference. IR (0.000), ER (0.000) and

SR (0.000) are highly significant in after taking 2<sup>nd</sup> difference. In the similar way PP refers ER (0.001) is significant in on level, MS (0.048), IIP (0.024) and OP (0.018) and IR (0.000), SR (0.000) is significant in after taking 2<sup>st</sup> difference hence the result of "*H<sub>0</sub><sup>1</sup>: SR and 'MEVs' are having non stationary in CHINA*" the unit root test has been dismissed (rejected) in second difference at 1 % level of significance in CHINA.

**Table 6: Johansen Co integration Test Results in CHINA**

Hypothesized No. of Coefficients	Eigen value Statistics	Trace Statistics	0.05 Critical Value	Probability**
None*	0.275215	94.09073	95.75366	0.0647**
At most 1	0.252843	63.51216	69.81889	0.1436
At most 2	0.154387	35.82152	47.85613	0.4054
At most 3	0.129217	19.89064	29.79707	0.4303
At most 4	0.061660	6.746167	15.49471	0.6073
At most 5	0.007342	0.700059	3.841466	0.4028

Significant \*\*\* 1%, \*\* 5% \* 10%.

**Table 7: Unrestricted Johansen Co-integration Rank Test (Maximum Eigen Value) Results in CHINA**

Hypothesized No. of Coefficients	Eigen value Statistics	Max-Eigen Statistics	0.05 Critical Value	Probability**
None*	0.275215	30.57858	40.07757	0.3867
At most 1	0.252843	27.69064	33.87687	0.2281
At most 2	0.154387	15.93087	27.58434	0.6717
At most 3	0.129217	13.14448	21.13162	0.4390
At most 4	0.061660	6.046108	14.26460	0.6073
At most 5	0.007342	0.700059	3.841466	0.4028

Significant \*\*\*1%, \*\* 5% \* 10%.

Table 6 and Table 7 The aftereffects of Johansen Co-integration trace esteem demonstrated that the number of co-integrated equation (0) is none which

implies there is no co-integration condition. The trace statistics (94.090) and Max-Eigen value is (30.578) therefore the max-egien statistics and

trace value is less prominent than the 0.05 critical values probability value in max-eigen value (0.065) is significant but trace statistical probability value (0.387) is not significant or not co-integrated in Chinese SM, so the null

hypothesis " $H_0^2$ : SR and 'MEVs' are not co-integrated in CHINA" is accepted. Therefore, the eigen value isn't significant; it means the Chinese 'SM' is not co coordinated.

**Table 8: Granger Causality Test Var Granger Causality/ Block Exogeneity Wald Tests in CHINA**

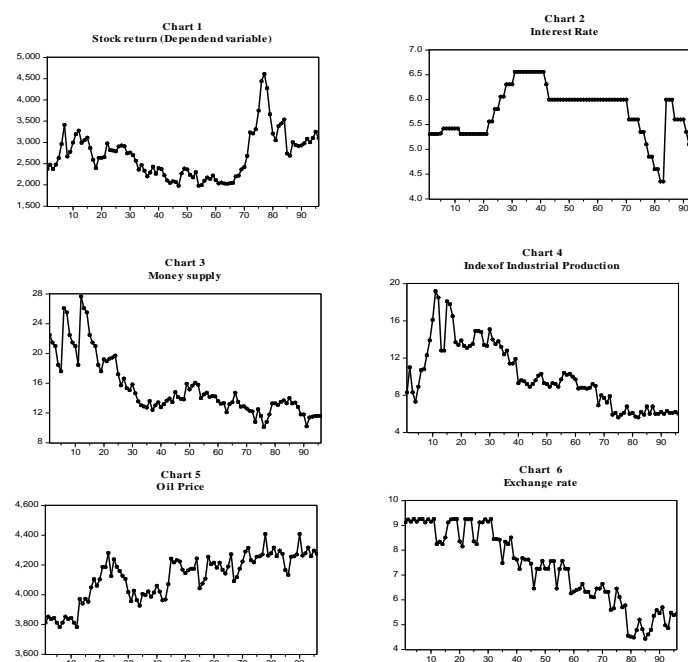
	IR	MS	IIP	OP	ER	SR
IR		0.7231	0.5508	0.3305	0.3986	0.3288
MS	0.0074***		0.1475	0.0131**	0.6365	0.6633
IIP	0.4172	0.0001***		0.5232	0.2721	0.6783
OP	0.2233	0.2947	0.0869*		0.7937	0.2205
ER	0.4661	0.0823*	0.7226	0.7736		0.5101
SR	0.0043***	0.8376	0.6694	0.9977	0.2552	

\*\*\*Significant at 1%, \*\*Significant at 5% and \*Significant at 10%.

Table 8 showed the result of this test is interpreted that the causal relationship between the Indian SR and MEVs'. The unidirectional causality among (IIP) and (OP), (IR) and (MS, SR), (MS) and (ER, IIP), (OP) and (MS) " $H_0^3$ :

Causality does not exist among SR and 'MEVs' in CHINA" is rejected at 1%, 5% and 10% significance. Accordingly the  $H_0^3$  is rejected. 'SM' and 'MEVs' does not granger cause in Chinese SR.

**Chart 1-6: SR Volatility and Macroeconomic Movement in CHINA**



Source: Author's own.

Chart 1, 2, 3, 4, 5 and 6 depict the movement of SR and Macroeconomic factors (ER, IR, money supply IIP and OP). The volatility of SR is similar and parallel trend in macroeconomic nature. It shows that all selected factors are non-stationary. It means that their relevant means and variance are not stable. The graphs of variables ER, IIP, SR and OP show fluctuating increasing curves with same direction. All variables show having non parallel trend movements on CHINA. So, the null hypothesis " $H_0^4$ : There is no similar trend of SR and 'MEVs' in CHINA" is accepted. Hence there is no similar trend of SR and 'MEVs'.

#### Limitations

- The Study is confined to 8 years i.e., from 2009-2016 based on the availability of data.
- The study is purely based on secondary data only which are collected from RBI and BSE. Hence, the results of the study are reflected based on the accuracy, reliability and availability of the data source
- It is confined to the SMV and MEVs are gathered from RBI and BSE.

#### The Overall Conclusion of Chinese SR market and 'MEVs'

- Chinese IR will remain constant in the year of 2012-2014 and little bit ups and downs in the year of 2009-2015 will result in sudden fall in the Chinese IR in the year of 2014-2015. In the same way SR 2009-2015 small ups and down fluctuating the subsequent years. Chinese IR sudden rise in the year 2015 increase and the

same way SR is goes up. When increases the interest it is directly affect the Chinese 'SM' in the year of 2009-2016.

- A bring up in Chinese ER 2009 will cause a decrease in stock prices step fall in down in the year 2009-2016 in light of desires for The Chinese ER is the estimation of the dollar versus different monetary standards. The estimation of the dollar is both caused and reflected by Chinese ER. Therefore, ERs not influence the Chinese stock costs and can be utilized to make forecasts about the Chinese securities exchange.
- An expanding in the Chinese MS in the year 2009 is habitually expected to positively influence Chinese 'SM' in the year 2009-2016. The Chinese Stock costs tend to move higher in the time of 2010 when the MS oftentimes fall in down in an economy in 2011-2016.
- The Chinese IIP is a very significant in Chinese macroeconomic index. IIP is huge rise in the year 2009 and SR in the year 2009 increasing in frequently and vice-versa. IIP (IIP) is an index gradual fall in the year 2010-2016.
- Chinese OP is resolute by the supply and demand for oil base items. All through a monetary development price may raise as aftereffect of developed utilization they often go up in the year 2009-2014 the other way around, because of sudden fall in the year 2014-2015 at that point expanded generation in the time of 2015-2016. There is a more connection among' OPs and the

Chinese securities exchange. In the examination does not basically demonstrate that the cost of oil limited affects Chinese securities exchange.

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# Sustainable Growth: Social Audit Standards Approach

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## Abstract

*Sustainable growth is related to various aspects such as economic, socio-cultural, defense, political sustainability, ecological and security. United Nations has provided support in the direction of achieving sustainability since 1992 with the introduction of Sustainable Development Principles and then with Sustainable Development Goals in 2016. Now, India has taken one more step forward in this direction by introducing Social Stock Exchange (SSE) for Social Enterprises with the aim to provide them an opportunity to raise funds at a large scale. With the reference of SSE, the concept of social auditing also came into being to keep a check on the activities of SE. In the following reference, ICAI has rolled out Social Audit Standards (SAS) to help the Social Auditors in carrying out the audit effectively. The SAS are in line with the Sustainable Development Goals (SDGs). The current article presents key takeaways from those standards which will help the Social Enterprises in ensuring sustainable growth from the ecological and economic perspective.*

**Key Words:** Social Audit Standards, Sustainable Growth, Social Auditors, Social Audit

## Introduction:

Sustainable growth can be seen from three perspectives: Economic, Social and Ecological. (Dienes D. et al., 2016) (Guy M.E. et al., 2012). The term “sustainable development” got recognized by United Nations in 1992 with the introduction of sustainable development principles (Nations, n.d.). Based on these five principles, United Nations introduced 17 Sustainable Development Goals in 2016, popularly known as UN SDGs. The fact that government has limited resources and capabilities, has led to the realization that in order to achieve breakthrough results in achieving sustainability within limited time, participation of private

sector is also required. (Standard, 2023). Honorable finance minister of India Smt. Nirmala Sitaraman rolled out an idea in this direction by introducing a digital platform known as Social Stock Exchange (SSE) for Social Enterprises (SE) or any organizations who are working on social welfare voluntarily. (SEBI, [www.sebi.gov.in](http://www.sebi.gov.in), 2019)

It would come under the ambit of Securities and exchange board of India (SEBI). A notification dated 25th July 2022 by SEBI has given complete details on the operational mechanism of the SSE. It proposed a mechanism whereby For-Profit Enterprises as well Non-Profit Organizations can register themselves on

SSE. In order to become eligible for listing and registering on SSE, an SE needs to perform any of the activities defined by SEBI. The activities defined are based on 17 UN SDGs (SEBI, www.sebi.gov.in, 2021). It also mentioned by SEBI that a Social Auditor (SA) who meets the defined criteria would have to do an audit for such enterprises in order to oversee whether the funds raised from SSE are being utilized efficiently or not.

Therefore, SA will play a key role for which ICAI has issued Social Audit Standards on 14th January 2023 in order to provide a guideline for doing the social audit. The concept of SA and SAS will ensure that the funds raised by SE are being utilized in the right direction. It will set up accountability of SE. The SA will prepare an Impact Assessment Report (IAR) after the completion of audit, which will certify the level of work done by Social

Enterprises (Sharon Pinto, 2023). In the current article, we have taken key takeaways from those SAS which will ensure sustainability from economic and ecological perspective.

### 1. Social Audit Standards

The Social Audit Standards (SAS) were issued and made effective from 14th January 2023 by the ICAI. As per SEBI, any Social Enterprises which are listed on the SSE are required to submit an Annual Impact Report to the SSE. Thereby, Social Auditors are then required to audit these reports. ICAI has issued 16 SAS based on broad activity areas based on SDGs and identified under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are also in line with recommendations of NITI Aayog. Following are the 16 Audit Standards (ICAI, 2023):

**Table 1**

Standards Number	Standards Name
SAS 100	Eradicating Hunger, Poverty, Malnutrition, and Inequality.
SAS 200	Promoting healthcare including mental healthcare, sanitation and making available safe drinking water.
SAS 300	Promoting education, employability, and livelihoods.
SAS 400	Promoting gender equality, empowerment of women and LGBTQIA+ communities.
SAS 500	Ensuring environmental sustainability, addressing climate change including mitigation and adaptation, forest, and wildlife conservation.
SAS 600	Protection of national heritage, art, and culture.
SAS 700	Training to promote rural sports, nationally recognised sports, Paralympic sports, and Olympics sports.
SAS 800	Supporting incubators of Social Enterprises.
SAS 900	Supporting other platforms that strengthen the non-profit ecosystem in fundraising and capacity building.



<b>SAS 1000</b>	Promoting livelihoods for rural and urban poor including enhancing income of small and marginal farmers and workers in the non-farm sector.
<b>SAS 1100</b>	Slum area development, affordable housing, and other interventions to build sustainable and resilient cities.
<b>SAS 1200</b>	Disaster management, including relief, rehabilitation, and reconstruction activities.
<b>SAS 1300</b>	Promotion of financial inclusion.
<b>SAS 1400</b>	Facilitating access to land and property assets for disadvantaged communities.
<b>SAS 1500</b>	Bridging the digital divide in internet and mobile phone access, addressing issues of misinformation and data protection.
<b>SAS 1600</b>	Promoting welfare of migrants and displaced persons.

Based on the criteria of economic and ecological sustainability following standards are selected. All the standards are related to the activities focusing on promoting education, employability, supporting social enterprises, promoting livelihood, financial

inclusion, ensuring environmental sustainability for all. The presence of a specific audit standard related to sustainability issues will help in creating accountability of enterprises (P. Fera, 2022).

**Table 2**

<b>Standard</b>	<b>Criteria for Selection</b>
SAS 300	Promoting education and employability will help in achieving economic sustainability. It will help in achieving economic prosperity for all.
SAS 500	Addressing climate and other environmental issues will maintain ecological sustainability.
SAS 800	Providing support to SE will ensure their smooth functioning in carrying out activities related to sustainability.
SAS 900	Raising the capacity of a NPO will ensure that the benefit of activities reach to masses and will thus ensure economic sustainability.
SAS 1000	Focusing on urban and rural poor and providing them livelihood opportunities will eradicate problems such as poverty.
SAS 1300	Including each and every one in the organised banking sector will also help in achieving economic growth.

The objective, scope, and process of conducting the social audit has been issued by ICAI for all the above-mentioned standards. Above standards are discussed in detail here:

**i. SAS 300: Promoting education, employability, and livelihoods.**

The standard relates to the thematic area

of promoting education, employability, and livelihoods. It includes other sub-areas such as ensuring quality and free primary and secondary education for all, early childhood development, equal access for men and women to all levels of education (including university), skill development, achieving high literacy rate. Encouraging development of small and medium scale industries

and providing support in forms of providing education and training to entrepreneurs, promoting sustainable tourism, protecting labour rights and other activities relating to this area.

- **Objective and Scope**

If any SE is engaged in any activity which falls in the above-mentioned area, the Social Auditor is required to follow guidelines of SAS 300. The standard prescribes the minimum guidelines which are to be followed by the auditor while carrying out individual impact assessment. Any other laws and regulations which are applicable because of the inherent nature of the activity must also be followed.

- **Social Audit Process**

In Social audit process of SAS 300 the social auditor collects data from the respondents like direct beneficiaries including students, trainee, parents, faculty, trainer, volunteer, management, monitoring agencies, government agencies, recruiters, employers, The collected data must be reviewed for reliability and relatedness by in-house or external experts to assess the time taken, manpower employed population covered and total area covered.

On the other hand, social auditors must conduct a desk review of the available content on promoting education, employability, and livelihoods. The relevant document may include data on enrolment forms of students, curriculum design and course books, feedback from students, assessment formats,

advertisements, attendance data of students and teachers, placement data, qualification of trainers and contract contents of various agencies.

Third parallel task may include the personal interview of various stakeholders.

The social auditor must evaluate the questions to be asked in the structured questionnaire and in the personal interview to get the answer of various aspects like composition of participants, quality of education or training, placement, socio economic factors, etc.

Project/Program Evaluation metrics: the social auditor must develop some evaluation metrics to evaluate the program at different stages to find the effectiveness of the program. Some quantitative and qualitative evaluation criteria are suggested in social audit standards like number of beneficiaries enrolled for education, skill development, female registration ratio, weekly learning hours, number of beneficiaries successful in program registered, teacher and students' attendance, test scores, students transition rate, fee charged and placement packages, scholarship, student teacher ratio, student classroom ratio, student dropout data, per student expenditure, improvement in social and economic conditions, holistic development, healthy environment, entrepreneurship spirit, quality of education, teacher students relationship, career counseling facilities provided, skill development, etc.

- **Assessment of Challenges**

The challenges faced by the Social Enterprise during the conduct of any project or activity should also be identified and highlighted by the auditor in the report. This can prove to be an important point formation of views of the end user of the report. The Social Auditor can take proper feedback and suggestions from the stakeholders as to what were the challenges faced by them. Some of the challenges that an enterprise might face in this thematic area are as follow:

1. Lack of resources like qualified teachers, staff, insufficient amount of equipment like computers.
2. Lack of training on usage of latest equipment
3. Residential accommodation not being made available.
4. Gap between expected salary and received salary.
5. Candidates not being able to finish education/training due to several reasons.
6. Any other issue that may affect the user of the Impact Assessment Report.

- ii. **SAS 500: Ensuring environmental sustainability, addressing climate change including mitigation and adaptation, forest, and wildlife conservation.**

The standard relates to the thematic area of ensuring environmental sustainability, addressing climate change including mitigation and adaptation, forest and wildlife

conservation. All the activities and projects related to environment and climate change can be carried out under this category. For e.g., reducing waste generation, sustainable management, combating desertification, spreading awareness about the need of protecting the environment and others.

- **Objective and Scope**

If any SE is engaged in any activity which falls in the above-mentioned area, the Social Auditor is required to follow guidelines of SAS 500. The standard prescribes the minimum guidelines which are to be followed

by the auditor while carrying out individual impact assessment. Any other laws and regulations which are applicable because of the inherent nature of the activity must also be followed.

- **Social Audit Process**

During the Social audit process of SAS 500 the social auditor collects data from the respondents like direct beneficiaries, people living in polluted/ affected areas, forest officials, sustainability trainers and teachers, academicians, researchers, public interest organizations who work in environment and climate change, monitoring agencies and concerned officials of the program. The collected data must be reviewed for reliability and relatedness by in-house or external experts to assess the time taken, manpower employed, population covered and total area covered.

On the other hand, the social auditor

must conduct a desk review of the available content about ensuring environmental sustainability, addressing climate change including mitigation and adaptation, forest and wildlife conservation. It may include reports generated under Environment protection laws, sustainable development, sustainable policy, assessment report of students, sample test reports, MoU between reporting entity and sustainable training partners, data on generation of waste, data on collection of debris/litter, details of waste treatment plants / air pollution control equipment installed, Sustainable Forest Management Policy, Water Conservation Management Policy. Third parallel task may include the personal interview of various stakeholders.

The social auditor must evaluate the questions to be asked in the structured questionnaire and in personal interview to get the answer of various aspects like target people get aware about sustainable development, change in thinking process after training, benefit from sustainable development initiatives to the target areas, stopping of activities like timber extraction, water extraction from shallow aquifers, improvement in quality of degraded soil/land, extent to which has sustainable livelihood been adopted by the target population, Could deforestation/desertification be halted?, improvement in restoring natural habitats of animals/threatened animals, etc.

**Project/Program Evaluation metrics:** the social auditor must develop some evaluation metrics to evaluate the program at different stages to find the

effectiveness of the program. Some quantitative and qualitative evaluation criteria are suggested in social audit standards like Number of beneficiaries to whom sustainable development awareness training has been imparted, Average participant and evaluation score, Average

experience of trainers in number of years, No. of beach areas where litter and marine pollution has been targeted, No. of air pollution hot spots where activities are targeted with respect to the targeted source of pollution in the area, Number of cities which have 'zero carbon' emission, increase in awareness, improvement in living, environmental and health conditions, prevention, reduction and recycling and reuse of waste, improved awareness about climate change, conservation, restoration and sustainable use of ecosystem, prevention of marine pollution, sustainable management of forests, combating desertification and degradation of soil, conservation of mountain ecosystem, reduction of degradation of natural habitat, etc.

#### ● **Assessment of Challenges**

The challenges faced by the Social Enterprise during the conduct of any project or activity should also be identified and highlighted by the auditor in the report. This can prove to be an important point formation of views of the end user of the report. The SA can take proper feedback and suggestions from the stakeholders as to what were the challenges faced by them. Some of the challenges that an enterprise might face in this thematic area are as follow:

1. Difficulty in understanding the concept of sustainable development and spreading awareness about the same.
2. Lack of knowledge about the immediate impact of climate change and biodiversity in general.
3. Uncontrolled production of waste from different sectors, use of plastic.
4. The scope of climate change mitigation initiative is only territorial; however, the problem is global.
5. Any other issue that may affect the user of the Impact Assessment Report.

### **iii.SAS 800: Supporting incubators of Social Enterprises**

The standard relates to the thematic area of providing support to the incubators of social enterprises that are working in the field of science, skill development, finance, technology, engineering, and medicine. It will also include supporting research and development activities in the mentioned fields. Contributions made to various universities and institutes set up for conducting research in these areas will also be included.

#### **● Objective and Scope**

If any SE is engaged in any activity which falls in the above-mentioned area, the Social Auditor is required to follow guidelines of SA 800. The standard prescribes the minimum guidelines which are to be followed by the auditor while carrying out individual impact assessment. Any

other laws and regulations which are applicable because of the inherent nature of the activity must also be followed.

#### **● Social Audit Process**

During the Social audit process of SAS800 the social auditor collects data from the respondents like Incubate Social Enterprises and Research Development Projects, / beneficiaries and stakeholders of the direct stakeholders, Funding entities, Government and related institutions, media agencies, academic institutions, professional groups, Monitoring Agency, staff, board of directors, Key officials of the reporting entity, etc. the collected data must be reviewed for reliability and relatedness by in-house or external experts to assess the time taken, manpower employed population covered and total area covered.

On the other hand, the social auditor must conduct a desk review of the available content on Supporting incubators of Social Enterprises. The relevant document may include Memorandum of Understanding (MoU)/Contract between the reporting entity and incubates and/or Research Development Projects, Knowledge materials (reports, articles, videos, case studies, case lets, etc.) Incubates and/or Research Development Projects, Feedback (testimonials, ratings, recommendations, etc.) provided by Incubates and/or Research Development Projects, Enrolment data for training/workshops and/or convening programmes designed for Incubates, Periodic performance reports

highlighting achievement/outcomes against predefined targets, Scope of work for Research Development Projects, Advertisement - leaflets/newspaper/social media, Photographs of project activities, Curriculum Vitae/Resume of faculty/trainers/researchers/professionals curated to conduct trainings/workshops and/or convenings and build knowledge materials (reports, articles, videos, case studies, caselets, etc.).

Third parallel task may include the personal interview of various stakeholders.

The social auditor must evaluate the questions to be asked in the structured questionnaire and in personal interview to get the answer of various aspects like Incubates attend the training/workshops/convenings, have access to knowledge materials, and receive advisory services on strategy, fundraising, programs, differently thinking after the training/workshops/convenings, knowledge, learn something new, use and application the knowledge and gain from it, learning/knowledge they received translate into noticeable change or impact in their approach/business model, sufficiency of amount and duration of funding to meet research requirement by Research and Development Entities.

Project/Program Evaluation metrics: the social auditor must develop some evaluation metrics to evaluate the program at different stages to find the effectiveness of the program. Some quantitative and qualitative

evaluation criteria are suggested in social audit standards Number of Incubate applications received, Percentage of incubates selected based on selection criteria, Percentage occupancy of the incubator, Quantum of grants disbursed to the incubates and Research Development entities, Number of entities incubated, Percentage of successfully graduated incubates, increase in rate of growth of supported start-ups (in funds raised, impact delivered), Percentage of commercialized research or technology creation, Number of patents filed, Number of entities mentored during and post incubation, Number of entities provided relevant market insight and facilitate market connections, Evidence of increased organizational capacity: changes in People, Process and Tools over baseline in a functional area (Product, Technology, Machine & Equipment and impact, Finance, People, Learning & Development, Fundraising, Advocacy etc), Evidence of operational excellence: Improvements in making and meeting commitments, Improved cost per unit impact, Maturity of internal practices such as management of data, financial auditing, employee engagement and retention (possibly measured by Capability Maturity Model Integration (CMMI) or other maturity assessment framework).

#### ● **Assessment of Challenges**

The challenges faced by the Social Enterprise during the conduct of any project or activity should also be identified and highlighted by the auditor in the report. This can prove to be an

important point formation of views of the end user of the report. The SA can take proper feedback and suggestions from the stakeholders as to what were the challenges faced by them. Some of the challenges that an enterprise might face in this thematic area are as follow:

1. Analyzing the impact generated by the incubator and the incubate.
2. Higher failure rates in such projects.
3. Lack of resources with the incubator to support activities of incubate.
4. Any other issue that may affect the user of the Impact Assessment Report.

**iv. SAS 900: Supporting other platforms that strengthen the non-profit ecosystem in fundraising and capacity building**

The standard relates to the thematic area of providing support to other platforms which helps in fundraising the non-profit ecosystem. It will include mitigating institutional risks, adapting existing programs while pivoting their focus towards development programs. Along with the mentioned, it would also include capacity building through a series of training, designing strategy and other related activities.

**● Objective and Scope**

If any SE is engaged in any activity which falls in the above-mentioned area, the Social Auditor is required to follow guidelines of SAS 900. The standard prescribes the minimum guidelines which are to be followed by the auditor while carrying out

individual impact assessment. Any other laws and regulations which are applicable because of the inherent nature of the activity must also be followed.

**● Social Audit Process**

During the Social Audit Process of SAS 900, the social auditor collects data from the respondents like direct stakeholders, target population, monitoring agency, indirect stakeholders, staff, board of directors and concerned officials of the program. The collected data must be reviewed for reliability and relatedness by in-house or external experts to assess the number and types of non-profit entities served.

On the other hand, social auditors must conduct a desk review of the available content on strengthening the non-profit ecosystem in fundraising and capacity building. The relevant document may include data on contract between reporting entities and social enterprises, knowledgeable materials like reports, articles, videos, case studies, etc. Enrolment data for training/workshops and/or convening programs designed, Advertisement- leaflets/ newspaper/ social media, etc.

Third parallel task may include the personal interview of various stakeholders.

The social auditor must evaluate the questions to be asked in the structured questionnaire and in personal interview to get the answer of various aspects like, Do the non-profit entities attend the training/workshops/convenings, have access to knowledge materials, and

receive advisory services on strategy, fundraising programs? Quality of support services, whether the support services were found to be in line with needs/ challenges of social enterprise? etc.

Project/Program Evaluation metrics: the social auditor must develop some evaluation metrics to evaluate the program at different stages to find the effectiveness of the program. Some quantitative and qualitative evaluation criteria are suggested in social audit standards like Number of non - entities incubated, Quantum of grants disbursed, Government resources catalyzed / influenced, Membership of giving networks and collectives created or strengthened, Number of social enterprise with defined strategic plans, Survival rate of supported start-ups, New, enhanced data availability on the social enterprise and/or its composition, distribution, resourcing and impact, Curriculum design and/or delivery across functional areas of social enterprise management etc.

#### ● **Assessment of Challenges**

The challenges faced by the Social Enterprise during the conduct of any project or activity should also be identified and highlighted by the auditor in the report. This can prove to be an important point of formation of views of the end user of the report. The SA can take proper feedback and suggestions from the stakeholders as to what were the challenges faced by them. Some of the challenges that an enterprise might face in this thematic area are as follow:

1. Absence of norms on fees that can be

charges for facilitating fundraising opportunities

2. Limited availability of well documented data from social enterprise
3. Unavailability of adequate funds among non - profit entities
4. Limited connected and organized networks of social enterprise
5. Any other issue that may affect the user of the Impact Assessment Report

SAS 1000: Promoting livelihoods for rural and urban poor including enhancing income of small and marginal farmers and workers in the non-farm sector

The standard relates to the thematic area of enhancing income of the marginal income level workers. It includes doubling agricultural productivity while ensuring a sustainable food production system to maintain ecosystems along with maintaining the genetic diversity of seeds, cultivated plants and animals. Immediate steps ensure safe and secure working environments for all workers while taking measures to eliminate forced labor and human trafficking.

#### ● **Objective and Scope**

If any SE is engaged in any activity which falls in the above-mentioned area, the Social Auditor is required to follow guidelines of SAS 1000. The standard prescribes the minimum guidelines which are to be followed by the auditor while carrying out individual impact assessment. Any other laws and regulations which are



applicable because of the inherent nature of the activity must also be followed.

### ● **Social Audit Process**

In this process, the social auditor collects data from the respondents like direct beneficiaries, immediate family of direct beneficiaries, monitoring agency, employers and concerned officials of the program. The collected data must be reviewed for reliability and relatedness by in-house or external experts to assess the number of villages/ districts/ total distance (km) covered.

On the other hand, social auditors must conduct a desk review of the available content on promoting livelihoods for rural and urban poor including enhancing income of small and marginal farmers and workers in the non - farm sector. The relevant document may include data on Policy papers by NABARD, DA&FW, MSME and Inception report, overall project report etc.

Third parallel task may include the personal interview of various stakeholders.

The social auditor must evaluate the questions to be asked in the structured questionnaire and in a personal interview to get the answer of various aspects like, did they learn something they did not know? Whether the program objectives were found to be consistent with the composition of the trainees? Quality of awareness workshop, what impact did the program have on a person's life after receiving

an awareness campaign? etc.

Project/Program Evaluation metrics: the social auditor must develop some evaluation metrics to evaluate the program at different stages to find the effectiveness of the program. Some quantitative and qualitative evaluation criteria are suggested in social audit standards like Literacy level, Land holding per household, Size distribution of land ownership, Migrants as % to Total adult male population, No. of plots owned by different households; Access to land, water, extension services, credit, transportation, seeds and fertilizers; affordability and subsistence in food etc.

### ● **Assessment of Challenges**

The challenges faced by the Social Enterprise during the conduct of any project or activity should also be identified and highlighted by the auditor in the report. This can prove to be an important point formation of views of the end user of the report. The SA can take proper feedback and suggestions from the stakeholders as to what were the challenges faced by them. Some of the challenges that an enterprise might face in this thematic area are as follow:

1. Slow execution of the project resulting in negative impacts
2. Lack of coordination with other implementing agencies
3. Limited participation from the local population due to social prejudice
4. Lack of planning, and pre - assessment, leading to unintended negative impact of the project
5. Any other issue that may affect the

user of the Impact Assessment Report

**v. SAS 1300: Promotion of Financial Inclusion**

The standard relates to the thematic area of promoting financial inclusion and providing equitable access, awareness and availability of affordable financial services to all the citizens.

● **Objective and Scope**

If any SE is engaged in any activity which falls in the above-mentioned area, the Social Auditor is required to follow guidelines of SAS 1300. The standard prescribes the minimum guidelines which are to be followed by the auditor while carrying out individual impact assessment. Any other laws and regulations which are applicable because of the inherent nature of the activity must also be followed.

● **Social Audit Process**

In this standard, the social auditor collects data from the respondents like direct beneficiaries, immediate family of direct beneficiaries, monitoring agency, Trainers, and concerned officials of the program. The collected data must be reviewed for reliability and relatedness by in-house or external experts to assess the number of days taken, teams formed, villages/ districts covered, total distance (km) covered.

On the other hand, social auditors must conduct a desk review of the available content on promoting financial inclusion. The relevant document may include data on Universal access to

financial services, financial planning of funds, Help desk facilities, SHG Formation, Tie-ups with banking and financial institutions, Photographs, Advertisement etc.

Third parallel task may include the personal interview of various stakeholders.

The social auditor must evaluate the questions to be asked in the structured questionnaire and in a personal interview to get the answer of various aspects like, did they start using the bouquet of financial services? Did the target people receive the benefit? How was the quality of engagement with beneficiaries? Have the beneficiaries started using mobile and net banking? How was the quality of services provided? Etc.

Project/Program Evaluation metrics: the social auditor must develop some evaluation metrics to evaluate the program at different stages to find the effectiveness of the program. Some quantitative and qualitative evaluation criteria are suggested in social audit standards like No. of people using mobile banking, No. of deposits accounts opened, MSME account holders with type of account details, quality of services towards grievance redressal, Quality of Infrastructure etc.

● **Assessment of Challenges**

The challenges faced by the Social Enterprise during the conduct of any project or activity should also be identified and highlighted by the auditor in the report. This can prove to be an important point formation of views of

the end user of the report. The SA can take proper feedback and suggestions from the stakeholders as to what were the challenges faced by them. Some of the challenges that an enterprise might face in this thematic area are as follow:

1. Lack of awareness of rights, entitlements, schemes and entities working to provide financial inclusion
2. Lack of power supply and weak network connectivity
3. Security related issues leading to frauds
4. Lack of knowledgeable manpower to educate and train people about financial services and their operations.
5. Any other issue that may affect the user of Impact Assessment Report.

### 3. Limitations

Sustainable growth strategies in order to work require an efficient cohesive working of government and non

- government agencies / departments. (*Ginting, 2020*). Another major drawback the social auditors would face is the skill of working on the non - financial areas of the audit. (*Sharon Pinto, 2023*). While everyone has one sole motive of profit in business, social enterprises would be working for bringing up a change in the society. They would have to carefully use the funds as the impact created by it would be administered now which was never the case before.

### Conclusion

Without a doubt, Social Auditors will play a significant part in the forthcoming SSEs. They will function as guarantors for the Social Enterprises by conducting social impact assessments of the SEs' projects. It will eliminate subjectivity while simultaneously increasing investor trust. Because all activities carried out by the SEs must be adequately documented, they will be more dedicated and accountable for their actions.

The SAS is now providing Social Auditors with thorough information on how to conduct the social audit. Because social service is not a one-time activity, the scope of the criteria should be kept adaptable in the future. It will evolve over time, as will the standards.

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## Social Innovator and Social Entrepreneurs of Ancient India

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### **Abstract**

*Social entrepreneurship is the business practice adopted by the owner's to produce goods and services for the betterment of society. Social innovation works with social innovators, social entrepreneurs, social enterprises, etc. These activities can't perform without scientific temperament and critical thinking. In India, concepts of critical thinking and scientific temperament are given and trained by Buddhas and Gautama Buddha, and their concepts are thoroughly adopted, preached, and practiced by their followers. Take their learning and teaching around the globe their preachers are huge in numbers, but unfortunately, his followers a very few in number found in India i.e. Jyoti Rao Phule, Savitri Bai Phule, Periyar, Lalai Singh Yadav, Dr. Bhimrao Ambedkar. But their thoughts and thinking influenced Indians (SC/ST/OBC/Women) to grow and reach their careers as high as they want. For exclusive growth in every section of society, India's government should encourage people to adopt their thoughts and values for the sake of their benefits apart from their caste creed and religion. By seeing the present scenario in India it seems impossible to encourage them to do apart from various policies and*

**Keywords:** *Social entrepreneurship, social innovation, social enterprises, ancient India, India etc.*

### **Introduction**

Social entrepreneurship is the practice of business owners creating their goods and services for the benefit of society. Owners use locally available resources and raw materials to produce these goods and services. These business owners are known as social entrepreneurs, and the social entrepreneur is also part of social innovation. Social innovation talks about creative destruction given by

Joseph Schumpeter (1939). Creative destruction means to create a new thing or thought or thinking by modifying available things or thoughts or thinking for the welfare of society. When we go into the deep concept of social entrepreneurs they don't target a section of society, they target the whole society and country to work for their benefit. When we entered ancient India, we got a few exemplary personalities who worked for social benefits in India as well as for the country; those inspired

not only Indians but also abroad. Only these personalities are not followed in India but also in the world to achieve the most impossible target in your life. Here I also request you all please don't read or take it religious article.

The term 'Social Innovation' was for the first time used in the academic and literary world by Schumpeter J. (1939), who described it as a process of creative destruction to bring new combinations of resources in business, political and cultural environments (Schumpeter 1939, G.Dos, 2020). This means for societal development, there is no need to borrow resources from other machinery outside of society, instead of modifying available resources in the community for organization, because society can't quickly adopt or utilized machinery and thinking borrowed from outside for their development. Social innovation runs with its elements i.e. social innovator, social entrepreneur, social enterprise, social incubation, etc. Social innovation or social entrepreneurs have existed in Indian society from ancient times when eminent personalities focused on making society welfare and making mankind educated to live a decent life. Hence social entrepreneurs from the beginning to the late 14 century Buddha and Gautama Buddha focused on education (dharma) and real estate entrepreneurs for the development of caves, places, mathas, and stone scriptures. We can see this development during the tenure of Asoka and the struggle he faced in the spread of Dharma around the globe.

## **2. Critical Thinking, Scientific Temperament, and Gautama Buddha**

Ideas and thought-doing activities can come from any section of society, but any such activities couldn't happen in society without the help of the government, in the same social innovation and its aligned activities couldn't be possible in India also. These ideas or thoughts couldn't develop in a person's mind without scientific temperament or critical thinking, which means the ability to question an available setup or thought thinking. Credit to generate critical thinking and scientific temperament among Indians goes to Buddhas, There were 28 Buddhas before Gautam Buddha. At the time of Buddha, India knows as Jambudweep, which was an urban economy. Their trading was going around the globe through river and sea routes, which are popularly known as the 'silk trade routes'. As the above evidence, we can say that the Buddha is not a person but a post, headed by a person who attained expertise in any field same as presently scholar or professor of any field, A Buddha not only solved the problems of the people with his own experience and understanding but also solved the difficulties in their lives around him by using available resources. That's why Historically India is known in the world as 'the light of Asia' (Edwin Arnold), it is said about India because of only Gautam Buddha. He is also known by very different names in Buddhist and Asoka edicts i.e. Sugat Dev, Sukiti, Siddartha, etc. he gets credit for the commercialization or socialization of

all works and teaching among citizens around the globe by Dhamm-chak Parvatan in today's Banaras. After that his followers or monks travelled around the globe, they have no compulsion languages and dhammas' rules. These monks can modify them as per the needs of that place and people for better understanding. It's in practice in national and international business houses to spread their business they send their business representative around the globe to work there by hiring and training local people to perform business smoothly.

As we mentioned earlier that any profit or welfare business couldn't be sustained without any investment or financial assistance, in the same way, Buddha's dhamma also got assistance from their contemporary kings i.e. Chadgapat, Bindosara, etc., Buddha's and his dhamma got a boost when Asoka came into power after death of Gautam Buddha. When Asoka made it a rule of law, and constructed many caves and monasteries for scholars around his empire, he scolded monks for bringing useless concepts and thoughts in Dhamm in the third Buddhist Sangati (international conference), to stop such practices in the future he wrote Dhamma and his state order on stone pillars in every corner of his kingdom, and re-built many pillars. Both Buddhism and Asoka gave women the same rights as men, whether it is the right to education or to propagate Dhamma. In the field of education, he built a separate school or monastery for women, the remains of which were found in Gujarat (Vad Nagar).

Manjushree, the biggest women monk of Buddha Dhamma, whose articles are not only available in abundance, but her idols are still found in various temples of India. On the other hand, Asoka sent his daughter to Sri Lanka to propagate Dhamma like his son and took a branch of the Bodhi tree from there and planted it again in Bihar. Because of Asoka, Buddhism remained in India till the fourteenth century (the era of Jai Chand ) and is still flourishing in foreign countries. Due to the freedom to include new beliefs and thoughts in Dhamma according to the time and environment, Buddhism is present in so many forms in front of us that today's modern educated world is also very confused, it does not understand whether it is Buddhism or not. In those modern religions that talk about humanitarian philosophy, when we deep down into their customs then we found Buddhism in it. The same situation happened with those who occupied Buddhism, they made a story thinking of an idol or painting, then seeing the same idol in some other form, they did not understand, then they even tried to defame them by filling obscenity and miracles. That's why they feel that their building is situated on sand dooms, to stay in its alive position making propaganda day and night.

Here is learning for upcoming business owners to make your base such deep that if anyone comes over on your their identity also gets loose in you. But when you Buddhasim The basic mantra of "Do not believe anything written or spoken until it meets your logic, intelligence, and discretion. Even if it was said by Buddha himself". This is

the main basis of the development of modern science, as in science, the rule propounded by any one person or institution is not considered correct until it is true by many researchers and opinions.

A society that can listen and understand new ideas, that society moves forward, whether those ideas come from a young person or an elderly person. But in religious societies and countries, they blindly trust what is said by their religion or religious teacher as universal and true, due to which the ability of the people there to ask new thoughts and questions decreases. And there are so many deities of the majority population (Hindu or Sanatani or Brahmoist) in India, if worshiped, then incense sticks, incense sticks, *havan*, and chanting of hymns would continue in every house throughout the year. The rest of the work should be done by foreigners coming and working here. More than this, caste-caste and high-low among them are so much that they are ready to do anything to save it. Now you tell me, how can a person think of something new in such a way, he can only think that how to feed the children tomorrow and where will the money come from?

In countries where there is atheism or Buddhism, there is not so much ostentation and show-off, they use the time and money they spend in worship, in the education of their children, and in giving shape to their thoughts. Even today you ask someone who is the most powerful country. So the names will come from America and China, in both these countries the number of atheists is in abundance, it can also be a matter of research whether atheism or theism is necessary for science. This is the reason why even today India takes pride in being a world guru because of the discoveries and theories made during the Buddhist times, but in the era of increasing religiosity, no scientific theory and discovery could be made. Today India is doing its development with the help of foreign technical and scientific discoveries. And to promote every sector of India, technology is being bought abroad, as a result of which India's foreign debt is increasing. Some Indian monks went to China to preach Buddhism and socialism to them which has been taken from a Chinese book "Biographies of eminent monks".

Sr.No.	Monk	Native place in India	Chinese king /Dynasty
1.	Kāśyapa-Mātaṅga (Shemoteng)	Central India	Han Dynasty {Yongping Period (57 CE-75 CE)}
2.	<b>Gobharana (Zhu Falan)</b>	Central Asia and India	Han Dynasty
3.	Dharma-kāla ( Fashi)	Central India	Wei Dynasty ( 249 CE-253 CE)
4.	Kang Senghui	Indian business family	Wei Dynasty ( 280 CE)
5.	Vighna	India	Wei Dynasty ( 227-304 CE)
6.	Kumārajīva (Tongshou)	Indian	Jin Dynasty ( 344-413 CE)
7.	Buddhabhadra, (Juexian)	Kapil vastu, india	Jin Dynasty



8.	Dharmakṣema or Tanwuchan or Tanwuchen	Central India	Jin Dynasty
9.	Guṇavarman	India (from kings family)	Liu Song Dynasty (367-431 CE)
10.	Samghavarman, or Zhongkai,	India	Liu Song Dynasty (424-453 CE)
11.	Guṇabhadrā, or Gongdexian	Central india	Liu Song Dynasty (394-468 CE)
12.	Guṇavṛddhi or Anjin	central India	Southern Qi Dynasty (502CE)
13.	Zhu Fotiao	Central India	Jin Dynasty
14.	Qiyu	Central India	Jin Dynasty

### 3. Jyoti Rao Phule

He was a social reformer, industrialist, and educationalist born on April 11, 1827, in Maharashtra. In the Elight family (sudra), in the present time, their community falls under the other backward class (OBC). He was the first person in his society and country to enroll in education. Soon he got married at the age of 13 with Savitri Bai. Both couples faced many challenges not only for their study and also for advocating girls' education from all countries and castes, presently social reformers and social entrepreneurs not getting very less challenges. For mental and scientific temperament Phule has openly criticized Hindu or Sanatana or Brahmnic scripture by using scientific and critical thinking. He was also a big industrialist at that time and constructed many British buildings.

His wife Savitri Bai Phule was first Indian lady teacher, who fought for women's education and empowerment.

### 4. E.V. Rama Swami

Erode Venketappa Ramaswamy also known as Periyar, thanthai. Was Born on Sept 17, 1879, in Kannada, in a businessman family. He was a social reformist and politician. He wrote many books to criticize the Abrahamic religion and scripture through his writing i.e., *Ramayana: a true reading* (Sachchi Ramayan). Openly challenged the religious faith majority of Indians to think on another side for their development, for this, he did thorough research on all versions of Ramayana in India and published it, book get more religious and political pressure and got banned many times. When Lalai Singh Yadav (Sept 11, 1911) translated it into Hindi then got more controversy in the Hindi belt of India, due to which he faced many legal issues in the court as well as in society, but at last he won the case.

### 5. Dr. Bhimrao Ambedkar

He is one of the most social reformers and social entrepreneurs of the Indian sub-continent after Gautama Buddha but was more influenced by the two Periyar

and Phule. Born on April 14, 1891. He was not only a highly qualified Indian from the British era to the modern era, an economist, socialist, social reformer, author, editor, and industrialist (runs a printing press), more than that head of the drafting committee of Indian constitutions. When anyone can read the Indian constitutions then we feel that the gist of the constitution is based on Buddhist teaching and learning, to make it more authentic he used references of those teachings from foreign constitutions, at that time available for them. He also empower the Indian government to make changes in laws or rules as per required, which main teaching of Gautama Buddha, Which makes the Indian constitution more flexible and the largest written constitution in the world.

### **The significant contribution of eminent personalities in social innovation:**

As we all know that education increases the thinking ability of a person, after this the educated person brings changes not only in himself but also in his society. So that changes could not take place in the society and most of the people of the country and all the women of the country remained illiterate and became slaves of some people, hence caste system and illiteracy were promoted in India. For this, the contractors of some religions came forward and created obstacles in the development of the country by promoting false ostentation, gods and rituals, while they did not lag behind in educating their boys not only in the

country but also in the foreign countries.

In such a situation, Jyotirao Phule emerged as the first educated person from the backward caste, he saw how much trouble the women in his family faced due to not being educated. He started teaching women by teaching his wife Savitri Bai Phule. He tried to educate women for the first time, education was there in the country before Phule but not for women. So here Jyotirao Phule became a social innovator, after this he opened his own social enterprise (school) in which he also started teaching girls. EV Ramaswamy was also very strong economically but due to his low caste, he suffered a lot of exploitation. To find out the reason, he not only read all the religious texts but also tried to remove social evils through them. But when Lalai Singh Yadav translated his book into Hindi to spread his ideas in North India, religious people openly opposed him and went to court, but later he won the case. At the same time, Dr. Ambedkar also suffered the sting of the caste system throughout his life. When he started his study on this caste system, the literature of the above personalities helped him to understand society. And after deeply studying the teachings of Buddha, he wrote the Indian Constitution. Even today, if you pick any article of the Indian Constitution and compare it with Buddhist teachings, you will find that both are saying the same thing. Therefore, social innovation is to remove social evils and problems by creating architecture and services using the resources available in the society. All these people used the

resources available in the society to remove the evils available in the society.

In conclusion we can say that social entrepreneurs, social entrepreneurship, social innovation cannot work in the country without scientific temper and critical thinking in both owners and customers.

To make a splash in the 21st century, the Government of India should promote scientific temper among the citizens. It may be possible that the concept and the eminent personality belong to a particular sects or thought process. If his concept, idea, experience, glory and his achievements should be promoted among the citizens. No government, society, business and an individual survives in a competitive world with a makeover (renovation, advertising, repacking, adoption of foreign other technological and scientific advancement). Yes it is also known as ideologically Indian religiously intolerant and democratic nation in the world but actually it is a religious and undemocratic nation which has been seen in last ten years.

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# Digitization of Higher Education in Changing Paradigms of NEP- 2020: A Qualitative Analysis

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## Abstract

*As we have repeatedly witnessed the epidemic condition and the horror of being entirely imprisoned, futuristic education is technology-driven. The epidemic has drastically altered the educational system, converting it overnight from traditional classroom instruction to online learning with new restrictions. A comprehensive framework for elementary education through higher education as well as vocational training in urban and rural India is the National Education Policy 2020 (NEP 2020). The educational system is about to undergo significant changes as a result of various system components becoming digitalized. The authors addressed emphasized the utilization of technology in higher education using computer-aided qualitative data analysis. The policy documents were extracted from the Ministry of Human Resources (MHRD) website. Word Cloud, TreeMap, Project Map, and Mind Map are outlined in the document to better understand the collected data. The document highlights three main aspects of higher education policy. It was established that homelands see the policy as an openhearted step.*

**Keywords:** NEP2020, online, technology, MHRD, NVivo

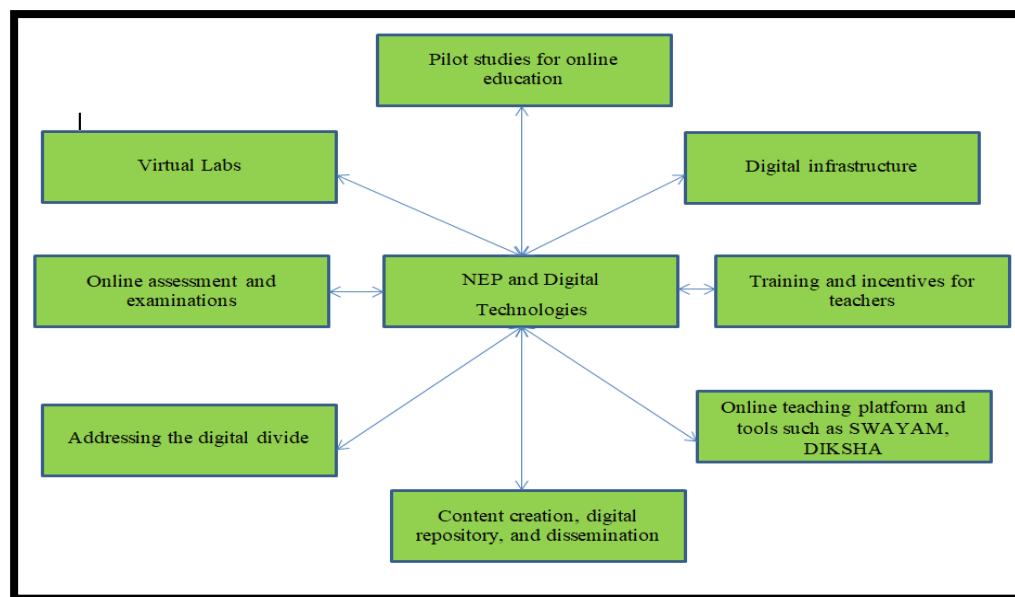
## Introduction and Recent Literature

Our lives have been rendered terrible by an unprecedented global lockdown, which has also forced us to stay inside our houses. The Indian government said that in order to adapt to the environment, people must keep their social distance from one another (MoHA, 2020). The lockdown effect closes nearly all industries that have a significant economic influence in the majority of the countries (Stefana et al., 2020). Even before the difficulties posed by the COVID-19 outbreak, digital exclusion was a problem in India. Students and teachers were both perplexed by the abrupt shift in teaching

strategies to online programmes. The focus of online courses has shifted to the issue of learning effectiveness (Crawford et al., 2020). At the moment, access to digital infrastructure is incredibly unequal. Over 80% of students attending government schools are thought to have been unable to regularly access digital education, despite the fact that the majority of middle-class students, even those from primary schools, received some form of online education during the pandemic (NCEE, 2021). The NEP emphasizes the need to prepare for a future where all homes have internet-connected smartphones or tablets and all schools have digitally-enabled ("smart")

classrooms. 'Personalized learning' will become more and more of a focus as a result of the so-called 'disruptive' technologies, which combine machine learning and Big Data. By encouraging students to learn directly from computers and by 'suggesting' to the teacher the content and pedagogy she should use for a specific learner, this will further diminish the role of the teacher. Assessments of student learning based on artificial intelligence (AI) have a tendency to be limited and fall short of capturing deeper conceptual understanding. By atomizing conceptual understanding into smaller and smaller pieces of achievement that machines can test, AI runs the risk of de-skilling teachers and turning education into a process of

"learnification" (Kasinathan 2021b). In order to execute and be technologically advanced, NEP demands technological availability and access to resources by teachers as well as students, hence the accessibility of resources should be present in order to reach every student through the online method. The question of equal access is the main difficulty with online courses and remote learning in this nation. In this context, accessibility also refers to having access to electronic devices in addition to having a sufficient level of internet and technology services usage. Makers of digital media, able to demonstrate their knowledge and convey ideas through dynamic storytelling, data visualization, and content curation (Himmelsbach, 2019).



**Fig.1.** Key initiatives in Digital Education

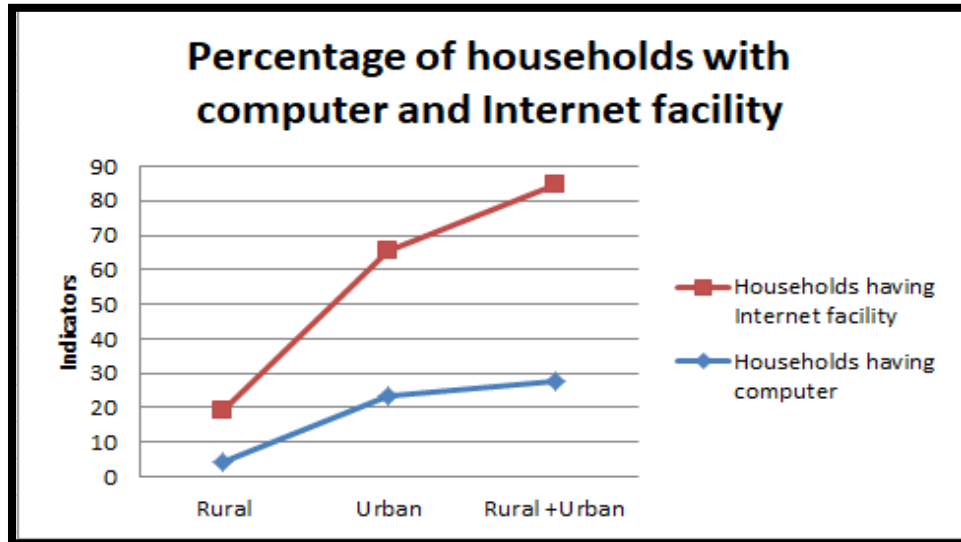
Source: Govt. of India (2020). National Education Policy 2020. [https://www.mhrd.gov.in/sites/upload\\_files/mhrd/files/NEP\\_Final\\_English\\_0.pdf](https://www.mhrd.gov.in/sites/upload_files/mhrd/files/NEP_Final_English_0.pdf)

Children cannot be properly educated online, and doing so will severely harm education and aggravate disparities. The majority of underprivileged kids,

he continued, "have no support to handle online education at home and are in families fighting serious livelihood crises, making them unable to copewith

other challenges." (BBC News, 2020). Due to the inability of children from economically disadvantaged homes to access remote

learning, the learning gap between rich, middle, and low-income families is expected to expand.



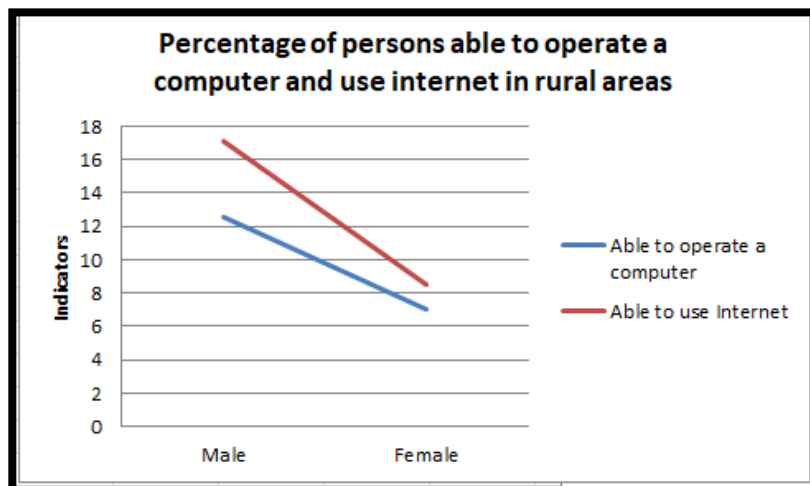
Source: Ministry of Statistics and Programme Implementation 2019

Fig.2. Percentage of households with Computer and Internet facility

➤ **Literacy Gap**

We are attempting to advance technology quickly, but when we see

the literacy gap that affects access to information technology in relation to gender differences, it is pretty alarming in this day and age



Source: Ministry of Statistics and Programme Implementation 2019

Fig.3. Percentage of persons able to operate a computer and use internet

1. Objectives of the Study:

- To identify the focus and issues of NEP 2020
- To suggest measures for future improvement for effective implementation of ICT in teacher education

## Methodology

NVIVO 12 Plus was used to analyze this article. The researcher analyzed and interpreted key policies and other documents to give meaning to the evaluation framework. Public records i.e., information available on websites, newspapers, archives, policy statements, annual reports, etc., and Personal documents/archives i.e., NEP 2020 policy-related documents downloaded from the MHRD website. This policy document was analyzed through WordCloud, Mind Map, and Project Map was used to identify the focus and issues of NEP 2020 and also to suggest measures for implementation of ICT in higher education.

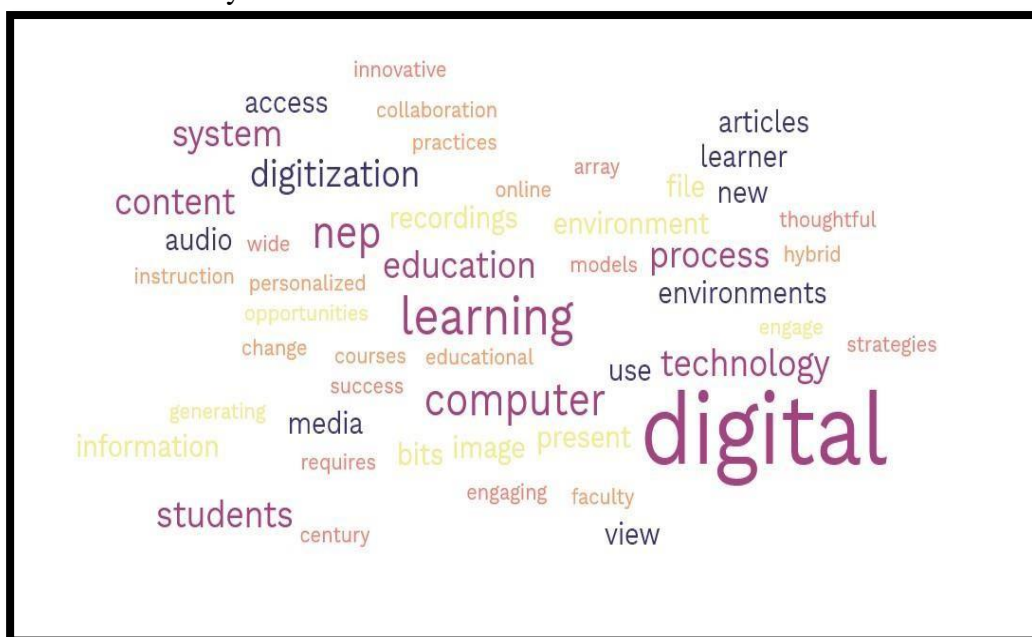
## Data Analysis

The data set demonstrated that the government carefully examined the

demands of advanced education, and the information showed that in making this policy, public opinion as well as the international education system were taken into account. NVivo software was extensively used throughout the data analysis process to allow rigor and efficiency to the research's findings.

### ➤ WordCloud

Figure 4 indicates the customary words related to the utilization of technology in education. “The words at the center i.e., education (learning, process) enclosed by the other words associated with the technology (system, audio, computer), NEP (digitization, content, access), environment strategies, opportunities, change), and aids (faculty, content, articles, learners)”.



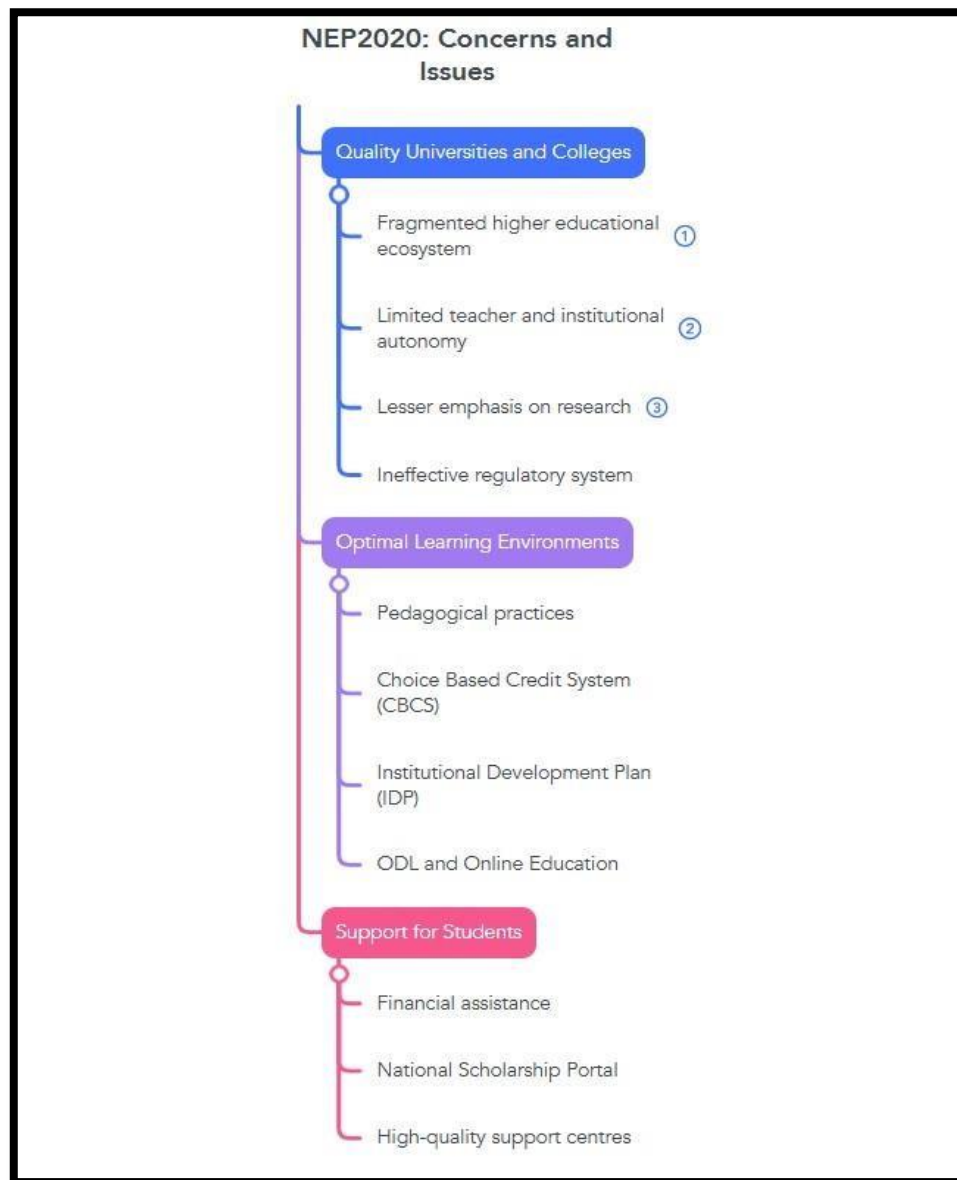
**Fig.4.** Wordcloud

### ➤ Project Map

With the help of the project map of policy documents, three important

concerns and issues could be identified i.e., Quality universities and colleges, optimal learning environments, and support for students. (Figure 4).



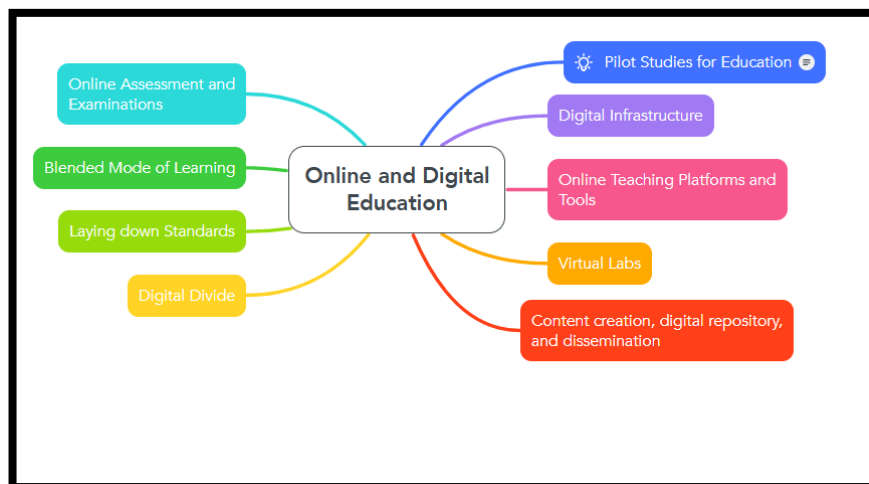


**Fig.5.** Project Map

➤ **Mind Map**

Figure 6 explains the mind maps based on the political documents studied. NEP 2020 focuses on community development. It demands the contribution of various stakeholders in setting.

developing online and digital education. Online and digital education covers aspects like pilot study for education, infrastructure, online platforms, labs, digital repository, blended mode, online assessment, digital divide, and standards



**Fig.6.** Mind Map

### Discussions and Implications

The policy is a groundbreaking and forward-thinking statement that recognizes the crucial contribution that technology makes to enhancing teaching and learning. Scaling up the use of online exams comes with a number of difficulties, such as restrictions on the kinds of questions that may be asked, managing network issues and power outages, and avoiding unethical behaviour. The online/digital education modality has constraints for some course types/subjects, such as performing arts and scientific-practical sessions, which can be partially solved with creative solutions. Furthermore, online education will tend to become a screen-based education with little emphasis on the social, emotional, and psychomotor domains of learning unless it is combined with experience and activity-based learning.

### **Suggestions for effective implementation of ICT in teacher education**

The main goal of integrating ICT into education is to show potential integration of ICT into general

educational activities. The following are some ideas for how to use ICT in teacher education successfully:

- The use of ICTs by teacher candidates should be improved, and teacher educators should be well-equipped with all digital tools.
- Provide adequate resources and funding for the establishment of computer hardware and software in teacher education institutions.
- To stay current with technology, teacher educators should be provided with professional training in ICT usage.
- In order to adequately support teacher-trainees in using ICT tools and materials for better teaching and learning processes, ratios of teacher educators and teacher-trainees should be maintained.
- ICT course content needs to be reorganized in accordance with NEP 2020 and should be action-oriented.

- Institutions that train teachers ought to take the initiative, care about the community, and actively participate in ICT implementation.
- In order to make effective use of technology, teacher training institutions should provide adequate ICT equipment in every classroom, including computers, LCT projectors, internet access, television, and e-white boards.
- To serve as a role model for the teacher-trainees, teacher educators must actively incorporate ICT tools into their regular lesson plans.

### Conclusion

More than 1.5 billion children and young people worldwide have been impacted by the closure of schools in 2020, and this has resulted in a variety of psychological and behavioral issues, according to UNICEF. Increased screen usage has negative effects on children's health as well as an increased danger of online exploitation. The increased usage of online platforms might expose young children to hazardous information that could potentially encourage cyberbullying.

The NEP advises using radio, community radio, and television for 24-hour broadcasts of educational programming, including those in regional languages, in order to alleviate the digital divide as previously addressed. Despite the NEP's innovative measures for e-learning tool creation and efforts to promote equal access to technology, it falls short of addressing the serious structural issues

that define digital learning in India. Moving forward, it is crucial to achieving alignment between the NEP's objectives and those of major programs like Digital India, which aims to increase access to communication infrastructure and internet connection throughout the nation. There must be a major emphasis on closing the gender gap in smartphone access and internet usage while also making digital platforms more accessible to those with learning disabilities.

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# Factors Affecting Risk Management Practices-A study of selected Public and Private sector banks

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## ***Abstract***

*The objective of this research is to examine the factors that play a role in determining the risk management practices employed by both Public and Private sector banks. The study aims to gain a comprehensive understanding of the various micro and macro elements that influence the implementation of risk management frameworks in these banks. The research involves surveying employees from six banks who hold managerial positions or above, and who possess relevant experience in these banks. The survey consisted of open-ended questions and the data was analysed using statistical methods. The results were intriguing and revealed that organizational factors, support and training from top management, technological capabilities, and risk-related factors have an impact on risk management practices. The goal of this study is to offer recommendations and suggest areas for future research in the field of risk management practices based on the findings.*

**Keywords:** *risk, risk management, risk governance, credit risk, operational risk.*

## **Introduction**

The banking industry in India has experienced significant transformations following the implementation of economic reforms known as LPG (Liberalization, Privatization, and Globalization) in 1991. One notable change has been the integration of Information Technology, which has revolutionized the banking sector and contributed to its growth. Indian banks have embraced innovative IT methods to streamline their daily operations (Young2000). As a result, the Indian banking system is undergoing a

transformative phase as banks employ different strategies to adopt new technologies and adapt to the increasingly competitive environment.

The Basel Capital Accord, introduced in July 1988, played a significant role in establishing a systematic framework for risk analysis. Its primary aim was to promote international convergence in policies related to capital reserves computation for banks. The Accord provided specific guidelines and standards for measuring capital adequacy, setting minimum

requirements for banks operating within national boundaries.

Risk refers to the potential for loss, harm, or negative consequences associated with an action, decision, or event. It involves uncertainty and the possibility of unfavorable outcomes. Risk can arise from various factors, including but not limited to financial investments, business ventures, health choices, technological developments, natural disasters, and personal decisions.

According to Mark Dorfman, risk management involves the rational development and implementation of a plan to mitigate potential losses. It is a dynamic process that adapts to changing circumstances. The ultimate objective of risk management is to minimize risks at the lowest possible cost. This involves the identification, assessment, and control of various risk exposures. Risks arise due to uncertainties stemming from economic, social, political changes, as well as a lack of information regarding these changes.

In the context of the banking sector, risk management focuses on measuring vulnerabilities within an organization's information systems and implementing corrective measures to ensure the privacy, reliability, and accessibility of these systems' components. It encompasses two main tasks: risk identification and risk control. The growth of E-banking, driven by innovation, advancement, competition, and new entrants, has heightened the importance of managing risks

associated with technology implementation. Therefore, banks must carefully monitor their risk exposure resulting from the use of technology.

Risk management is an active and adaptive process that aligns with the prevailing circumstances. Its goal is to maintain overall and specific risks at desired levels, while minimizing costs. Through risk identification, measurement, and control, organizations can effectively manage their risk exposures.

Institute of Risk Management (IRM): "Risk management is the process of identifying, assessing, and prioritizing uncertainties that could affect the achievement of objectives. It involves coordinating and applying resources to minimize, monitor, and control the probability and/or impact of unfortunate events or to maximize the realization of opportunities."

John C. Hull: "Risk management involves identifying, measuring, and managing risks so as to fulfill organization objectives."

Carl L. Pritchard: "Risk management is a systematic process of identifying, analyzing, and responding to project risks. It includes maximizing the probability and consequences of positive events and minimizing the probability and consequences of adverse events."

### **Types of Risk**

Risk management for banks refers to the processes, strategies, and frameworks put in place by financial

institutions to identify, assess, monitor, and mitigate various risks they face in their operations. Banks operate in a complex and dynamic environment where they encounter a range of risks that can impact their financial stability, profitability, and reputation. Risk management in the banking sector aims to minimize the adverse effects of these risks and ensure the safety and soundness of the institution.

Key areas of risk management for banks include:

- **Credit Risk:** This refers to the potential losses arising from borrowers or counterparties defaulting on their obligations. Banks assess the creditworthiness of borrowers and implement measures to mitigate the risk of loan defaults.
- **Market Risk:** This encompasses the potential losses resulting from adverse movements in financial market variables, such as interest rates, exchange rates, and asset prices. Banks manage market risk by using various techniques, including hedging, diversification, and stress testing.
- **Liquidity Risk:** This relates to the ability of a bank to meet its short-term obligations as they come due. Effective liquidity risk management involves maintaining adequate funding sources, managing cash flows, and establishing contingency plans for liquidity stress scenarios.
- **Operational Risk:** Operational risk arises from internal processes, systems, or human error and external events. It includes risks related to

technology, fraud, legal compliance, and reputation. Banks implement robust controls, internal procedures, and risk mitigation measures to address operational risks.

- **Compliance and Regulatory Risk:** This refers to the risk of non-compliance with laws, regulations, and industry standards. Banks must adhere to regulatory requirements, such as capital adequacy ratios, reporting obligations, and anti-money laundering measures. Effective risk management includes ensuring compliance with applicable regulations.
- **Strategic Risk:** Strategic risk involves the potential impact of decisions or actions that may affect a bank's long-term goals and competitive positioning. Banks must evaluate the risks associated with their business strategies, expansion plans, and market developments.

Risk management for banks requires a comprehensive and integrated approach, involving risk identification, measurement, monitoring, and mitigation through policies, procedures, and risk controls. It also involves establishing risk appetite and tolerance levels, stress testing, scenario analysis, and regular reporting to senior management and regulators. The ultimate goal is to safeguard the bank's financial health, protect stakeholders' interests, and maintain stability in the financial system.

### **Objectives of the study**

1. To understand the process of risk management.



2. To study the micro factors affecting risk management practices in banks.
3. To study the macro factors affecting risk management practices in banks.

### **Research Methodology**

Although many studies have been conducted regarding risk management practices in developing countries it is still at the minimal level in Indian context. Therefore, this paper presents the different variables that might have influential factors for banks in performing risk management practices. Purposive sampling was adopted for the study. Sample size was 540 banks managers of selected public sector banks (SBI, PNB and P&S Bank) and private sector banks (HDFC, AXIS and ICICI) operating in Punjab. Data was collected by primary source using a questionnaire.

### **Process of Risk Management**

The process of risk management for banks typically involves several interconnected steps. Here is a general overview of the key components of the risk management process in banking:

- **Risk Identification:** The first step is to identify and understand the various risks faced by the bank. This includes assessing risks such as credit risk, market risk, liquidity risk, operational risk, compliance risk, and strategic risk. Risk identification involves analyzing internal processes, external factors, and industry trends to identify potential risks.
- **Risk Assessment:** Once risks are identified, the next step is to assess their potential impact and likelihood of occurrence. This involves quantifying risks through methods such as risk rating models, stress testing, scenario analysis, and statistical techniques. The goal is to prioritize risks based on their significance and establish a risk profile for the bank.
- **Risk Measurement and Quantification:** Banks use various metrics and tools to measure and quantify risks. For example, credit risk can be assessed through credit scoring models, market risk through value-at-risk (VaR) models, and liquidity risk through cash flow analysis and liquidity ratios. These measurements help in determining the magnitude and potential impact of each risk.
- **Risk Mitigation and Control:** After assessing risks, banks implement risk mitigation strategies and controls. This involves developing policies, procedures, and internal controls to manage and reduce risks. For instance, credit risk can be mitigated through thorough underwriting processes, collateral requirements, and credit risk monitoring. Market risk can be controlled through hedging, diversification, and risk limits.
- **Risk Monitoring and Reporting:** Banks continuously monitor the identified risks to ensure that they remain within acceptable levels. Regular risk monitoring involves tracking risk indicators, reviewing

key risk metrics, and analyzing emerging risks. Banks establish reporting mechanisms to provide timely information to management, senior executives, and regulators. This includes regular risk reports, risk committee meetings, and communication channels for risk-related issues.

- **Risk Governance and Compliance:** Banks establish a robust risk governance framework to ensure effective risk management. This includes defining risk appetite, setting risk limits, and establishing risk management committees and policies. Banks also ensure compliance with relevant regulations and reporting requirements, such as Basel III regulations or local regulatory guidelines.
- **Risk Review and Continuous Improvement:** The risk management process is iterative, and banks regularly review and evaluate their risk management practices. This involves conducting periodic internal audits, external assessments, and risk reviews to identify areas for improvement. Lessons learned from past incidents or near-misses are used to enhance risk management frameworks and practices.

It's important to note that the specific risk management processes and practices may vary among banks depending on their size, complexity, and regulatory requirements. However, the general steps outlined above

provide a framework for effective risk management in the banking sector.

### **Data Analysis**

Indeed, literature studies have identified several factors that are believed to be determinants of risk management practices in organizations. While the specific factors and their importance may vary based on the context and industry, here are the micro & macro factors considered to be determinants of risk management

#### **Micro Factors:**

- Organizational (Top Management Support )
- Organization Structure & culture
- Technological Capacity
- Training
- Financial Performance

#### **Macro Factors:**

- Government regulation
- Competitions
- Impact of Technology
- Role of International financial institutions
- Role of FDI/FII
- Socio-cultural factors

#### **Micro Factors**

Micro factors affecting risk management practices of commercial banks were asked and the results clearly indicates the response selection, highest towards organizational support, followed by organizational structure and culture, technological capacity, training and at last the financial

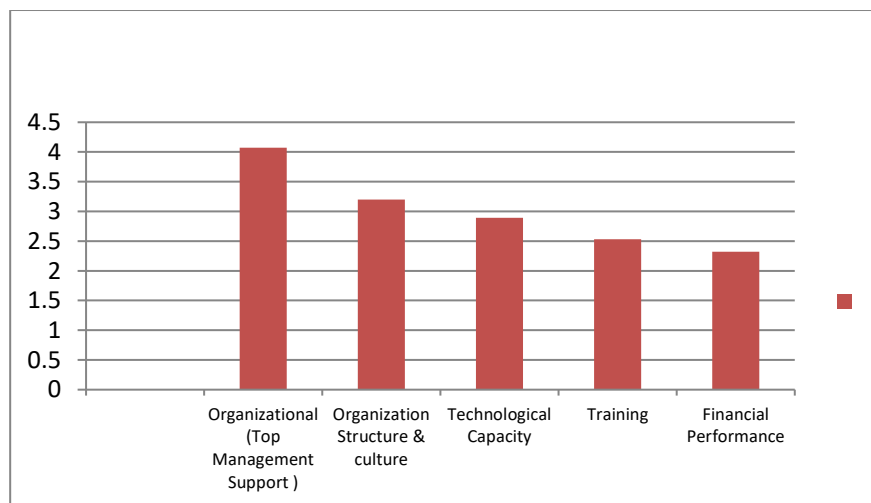
performance (where 5 indicated Rank 1 and 1 indicates Rank 5 and so on).

The micro factor that received the highest average ranking from respondents is "Organizational (Top

Management Support)" & the lowest average ranking is "Financial Performance".

**Table 1: Micro Factors Central Tendency**

Statistics						
		Organizational (Top Management Support )	Organization Structure & culture	Technological Capacity	Training	Financial Performance
N	Valid	540	540	540	540	540
	Missing	0	0	0	0	0
Mean		4.07	3.20	2.89	2.53	2.32
Median		5.00	4.00	3.00	2.00	1.00
Mode		5	4	3	2	1
Std. Deviation		1.386	1.188	1.023	1.224	1.506
Minimum		1	1	1	1	1
Maximum		5	5	5	5	5



**Figure 1: Micro factors**

Overall, it seems that respondents consider "Organizational (Top Management Support)" to be the most important micro factor affecting risk management practices of commercial banks, while "Financial Performance" is considered to be the least important.

However, there is a significant amount of variation in the responses for each micro factor, suggesting that different respondents may have different opinions about which factors are most important.

### Macro Factors

Macro factors affecting risk management practices of commercial banks were also asked from the respondents and the results clearly indicates the response selection, highest towards government regulations, followed by competitions,

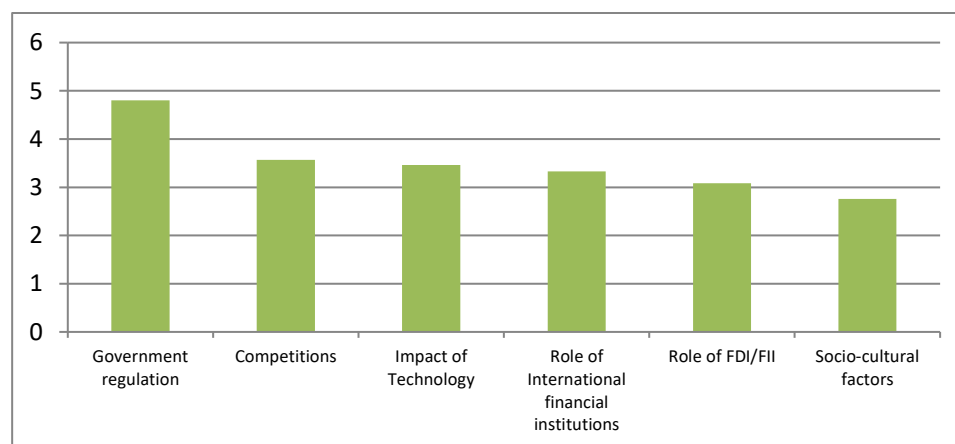
impact of technology, role of international financial institutions, Role of FDI/FII and at last the socio-cultural factors (where 6 indicated Rank 1 and 1 indicates Rank 6 and so on).

**Table 1: Macro Factors Central Tendency**

Statistics							
		Government regulation	Competitions	Impact of Technology	Role of International financial institutions	Role of FDI/FII	Socio-cultural factors
N	Valid	540	540	540	540	540	540
	Missing	0	0	0	0	0	0
Mean		4.80	3.57	3.46	3.33	3.08	2.76
Median		6.00	4.00	4.00	3.00	2.00	2.00
Mode		6	5	4	3	2	1
Std. Deviation		1.766	1.543	1.322	1.430	1.677	1.721
Minimum		1	1	1	1	1	1
Maximum		6	6	6	6	6	6

The macro factor that received the highest average ranking from respondents is "Government regulation". The macro factor that received the lowest average ranking is "Socio-cultural factors". The standard

deviation for each of the macro factors is different, with the highest standard deviation being for "Government regulation" at 1.766, indicating that there is a greater variety of responses for this macro factor than for the others.



**Figure 2: Macro factors**

Overall, it seems that respondents consider "Government regulation" to be the most important macro factor affecting risk management practices of commercial banks, while "Socio-cultural factors" are considered to be the least important. However, as with the micro factors, there is a significant amount of variation in the responses for each macro factor, suggesting that different respondents may have different opinions about which factors are most important. The findings of the study are quite similar to the findings of many previous studies. Various previous studies like Singh P. (2021), Mahmoud, N., & Ahmed, E. M. (2014) Galorath (2006), Phuenngam, W. (2009) also found that factors like Top Management Support, technology, training etc are significant for risk management in the banks.

## Conclusion

This paper identified various micro & macro factors effecting risk management practices of banks. In the context of micro and macro factors influencing risk management in banks, it is indeed recognized that organizational support and structure play crucial roles at the micro level, while government regulation, competition, and technology have significant impacts at the macro level. Here's a closer look at these factors:

### Micro Factors:

- **Organizational Support:** Strong support from top management and across all levels of the organization is vital for effective risk

management. This support includes providing resources, promoting a risk-aware culture, and actively participating in risk management activities.

- **Organizational Structure:** The structure of the organization can impact risk management practices. A well-defined and centralized risk management function, with clear roles and responsibilities, enhances coordination and facilitates efficient risk identification, assessment, and mitigation.

### Macro Factors:

- **Government Regulation:** Banks operate within a regulatory framework that sets requirements and guidelines for risk management. Regulatory bodies establish standards related to capital adequacy, risk reporting, and governance. Compliance with these regulations is essential for banks to maintain stability and credibility.
- **Competition:** The competitive landscape influences risk management practices as banks strive to differentiate themselves and maintain market share. Intense competition can lead to the adoption of more innovative products, but it also introduces risks that banks need to manage effectively, such as credit risk and market risk.
- **Technology:** Advancements in technology have a significant impact on risk management in banks. Technology enables the development of sophisticated risk

management tools, data analytics, and automation of risk processes. It also introduces new risks, such as cyber security threats and operational disruptions, requiring banks to continually adapt their risk management practices.

These factors interact and influence each other. For example, government regulations shape the organizational structure and risk management practices of banks. Technological advancements create new risks that banks need to manage and respond to, while also providing tools to enhance risk management capabilities. It's important to note that the significance of these factors may vary based on the specific banking industry, country, and regulatory environment. Banks need to assess and adapt their risk management practices considering both micro and macro factors to ensure effective risk identification, assessment, and mitigation, thereby safeguarding their financial stability and reputation.

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## **Factors distinguishing the green buyers from the non-green buyers: An empirical study on Indian consumers**

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### ***Abstract***

*This paper aims to divide Indian consumers into groups based on their demographics. The purpose of this descriptive and hypothesis-testing study was to clarify the distinctions between groups in relation to green consumers. The decision of customers to purchase environmentally friendly products receives the most attention. 250 customers from major shopping malls in Pune (India) filled out self-administered questionnaires. According to the analysis, male and female consumers' green purchase decisions are not significantly different. Age, education, and income level, on the other hand, have shown significant differences between groups and somewhat significant effects. In general, the findings of this study help marketers concentrate more on the design of their promotional activities. To promote green products in the future, marketers should focus on customers over the age of 45 years with minimum education of graduate level having at least 50,000 monthly household incomes. This study adds to the body of knowledge in the field of green marketing. It represents findings from developing nations that can be applied in subsequent comparative studies concerning the segmentation of the green markets. The findings have significant leanings for academia as well as industry, particularly with regard to consumers' readiness to accept green products as their future lifestyle*

### **Introduction**

Green marketing is a term that many businesses around the world are using to promote products that are better for health and the environment [1][2]. Consumers today have shown the greatest concern for environmental protection and environmentally friendly purchasing practices [3,4]. Numerous businesses have adopted the concept of

going green as a future marketing strategy and means of ensuring the sustainability of their operations [5,6]. These efforts add a new dimension to the relationship between businesses and customers. Due to the massive green campaigns and activities carried out by businesses that are extremely concerned about the environment and the requirements of consumers, recent studies have demonstrated an



increasing trend in consumer awareness [7]. In this regard, consumers' involvement in their purchases demonstrates their concern for the environment [8, 9]. As a result, the goal of this study is to divide customers into groups based on how they act and decide to buy environmentally friendly products. It begins with an overview of green marketing and the common features it shares. The relevant criteria for distinguishing each category of customers will also be discussed, along with the significance of green segmentation. To better comprehend the green segmentation, the research methodology, analysis, and results, as well as their implications, were also highlighted.

### **Literature Review**

Green marketing research has been studied since 1970s [11] when environmentally conscious customers were the primary focus. Since then, academic researchers have turned their attention to the issues of green consumerism and environmental protection [12]. Eventually, numerous nations began enacting environmental protection laws [13]. The factors that influence environmental consciousness, acceptance of green products, and purchase decisions have been the primary focus of green marketing so far. In terms of its offerings, a "green product" can be thought of as a product designed to minimize or eliminate the harmful effects on human health and the environment by avoiding toxic materials, using renewable resources at their rate of replenishment, and minimizing the use of non-renewable resources [14]. Green products can be found everywhere, from cars and electrical appliances to food and beverages. As a result, consumers who

are willing to alter their purchasing habits and consider the impact that their consumption has on the environment can be considered green consumers [8,15,16]. These customers are proud to be associated with green activities and tend to purchase environmentally friendly goods. Green customers appear to be a significant aspect of marketing that businesses must take into account [17,18]. Additionally, the growing number of eco-friendly businesses has increased the significance of market segmentation, particularly in the early stages of brand positioning and effective market targeting [19]. Despite the fact that some studies support the concept of segmenting green consumers [20], this issue continues to be significant from a business perspective, particularly in relation to the development of a marketing strategy for the foreseeable future. Green market segmentation recognizes the process of grouping customers according to the same demographic, psychographic, and behavioral characteristics [21]. However, the task of segmenting the market is a daunting one, with the exception of certain demographical characteristics like gender and age. Therefore, it is argued that in order to comprehend consumers' perceptions of green products and their intentions to purchase, it is necessary to adopt existing observable descriptive characteristics.

### **2.1 Segmentation on the basis of Gender**

The process of dividing a consumer market into distinct male and female segments is known as gender segmentation. It has been utilized in numerous studies on consumerism to comprehend consumers' interest in a variety of products, including,

consumables, electronic devices and FMCG [21]. Many researchers have stated that women have a greater tendency than men to portray their "green" behavior [22] as a result of the advancement of social interaction and workforce diversity. According to previous researches [23], women have a greener outlook and are more concerned about protecting the environment. They make green purchases and follow the 3Rs (Reuse, Reduce, and Recycle) on a day to day basis [24], whereas Men, were found to be involved in non-governmental organizations for conservation efforts [25].

## 2.2 Segmentation on the basis of Age

Though age, among general consumers was the subject of numerous previous marketing and behavioral studies [26,27], segregating a consumer market into distinct age and lifecycle groups is an activity. Age has been found to have an impact on consumer preferences in previous researches. As a result, age segmentation is used by many businesses while developing products and marketing strategies. The relationship between age and the next action (attitude, knowledge, and behavior) in the context of consumer behavior shows mixed results. Some studies claimed that there is a negative relationship between those two variables, while others claimed that there is a positive relationship [28, 29].

Segmentation on the basis of Education: The process of dividing a consumer market according to their level of education is known as education segmentation [21]. Customers with higher educational level and proper access to information should be more concerned about the environment [29,18], Because they are

familiar with the steps involved in creating a product's value and benefits, educated customers typically favor high-quality goods at a reasonable price. According to a few studies [28,31,32], there is a positive correlation between consumers' propensity to engage in eco-friendly behaviors with the intention of preserving the environment and their education level.

### Segmentation on the basis of Income:

A family's income typically reflects its level of education. This is because people with more education will have a better chance of getting a better job and earning more money than people with less education. Many businesses that sell goods and services use this segmentation for a long time [21]. The process of dividing customers into groups according to their income level is known as income segmentation [21]. In the context of green marketing, it is hypothesized that consumers with higher incomes are more likely to actually purchase green products and maintain a green and clean environment [18]. This assertion is based on the idea that consumers with higher incomes can afford to purchase environmentally friendly goods that are well-known for their high prices [28]. Additionally, they are eager to make financial contributions to the environmental movement [29].

## 3. Methodology

Past investigations have shown that shoppers have various kinds of information and behavior towards green items and ecological concern. This research aims to categorize the various categories of Indian green consumers. Due to the nature of the study, the researchers have decided to pay special

attention to the demographics of the customers and their decision to buy green products. This is based on the argument that these variables are increasingly important predictors of consumers' upcoming behavioral actions (such as making a purchase or protecting the environment). The survey was conducted at major shopping malls in Pune. In order to guarantee unbiased responses, the self-administered questionnaires were distributed in a non-contrived setting. 250 valid responses were obtained from this cross-sectional study. The questionnaire's measured items were divided into two sections. The demographic information of the customers, including their age, gender, level of education, and income, was gathered in the first section. In the second section, respondents' attitudes toward purchasing green products were gathered. The pilot test was conducted

to validate the measured items prior to the distribution of the questionnaires. All of the measured items used in this study were found to be reliable by Cronbach's Alpha (= 0.849). After that, SPSS Version 21.0 was used to analyze the data. The gender variable was analyzed using an Independent Sample t-test because of its nature. In contrast, Analysis of Variance (ANOVA) was used to examine the significance of related variables for all remaining variables.

### Analysis & Findings

The demographic data's findings vary slightly, but they are interesting enough to consider. The analyses begin by examining the relationships between demographic variables and the decision to purchase environmentally friendly goods

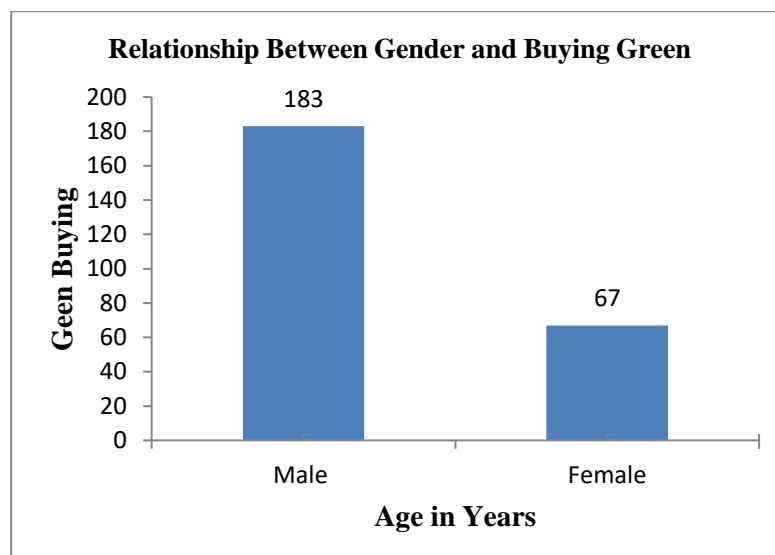


Figure-1

It can be easy seen from the above chart that gender plays an important role in deciding about buying the green products. Clearly female customer are

more interested in buying green products as compare to male consumers.

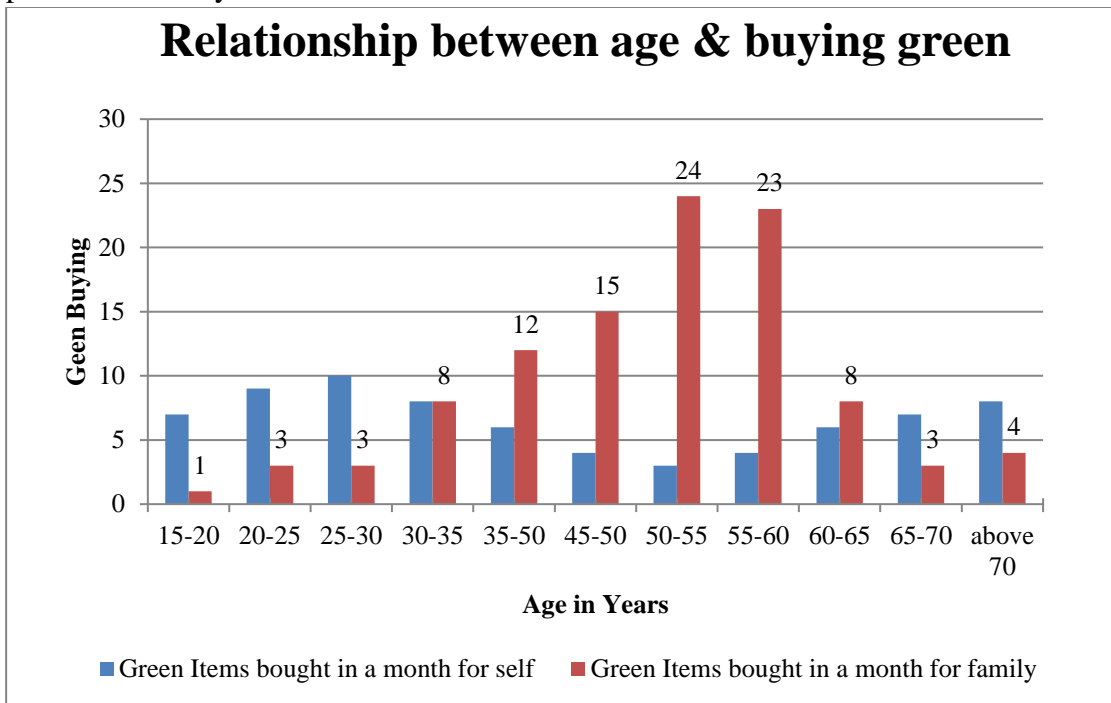


Figure-2

Figure 2 demonstrates without a shadow of a doubt that environmental concerns rise with income. This may be

because they have more money, which lets them care for the planet after spending money on themselves.

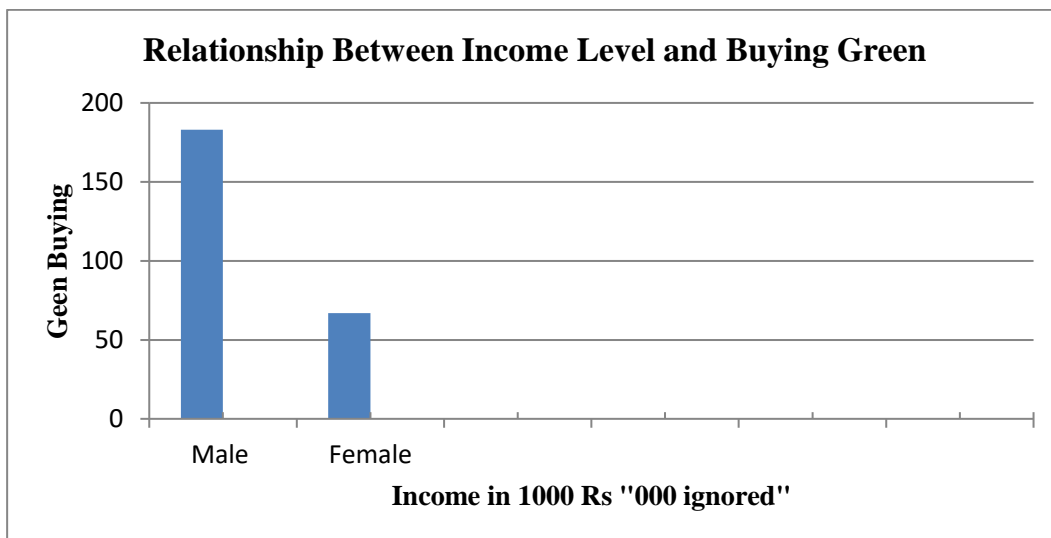


Figure-3: relationship between income level and green purchase behavior

The fact that there is a direct correlation between purchasing power and buyer behavior toward Green Products for Self and for the family is clearly shown in Figure 3. The income groups and the sample's preference to purchase a number of products are respectively represented by the X and Y axes of the graph. Examination of diagram uncovers that the quantity of items purchased is continuously expanding with the expansion in the buying power thus further confirming the consequences of relationship as talked about above.

**Conclusion:** The researchers arrive at the conclusion that Green Marketing will be a difficult endeavor. Since green is still in not everyone's choice, the strategy of green marketing it needs to be changed. Even though some people are willing to pay more for green products, a significant portion of the population is still not ready. We could also deduce that, regardless of age, environmental concerns rise in tandem with increases in annual income.

According to research, buyer behavior is significantly influenced by the amount of money a person receives at a particular age. A person is more likely to be concerned about their health and the environment when they receive large sums of money when they are younger, between the ages of 20 and 35, and when they are older, between the ages of 50 and 65, when they have less responsibility. Talking about going green is pointless among people with low incomes and middle-aged people between the ages of 35 and 50 because they have more other needs than

money. However, individuals in the same age group and higher income bracket demonstrated a preference for health and the environment. Reason may be a status symbol for those in this income bracket who use environmentally friendly products.

As people get older and their incomes become lower, the emphasis shifts from individual well-being to the well-being of the planet. On the other hand, the same age group in a higher income bracket with a lot of financial freedom and no responsibility is the best audience for green products from the Triple bottom line, the Planet, the People, and the Profit. This customer base is particularly concerned about their own health and the environment.

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