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About the Journal

The journal is published by Great Lakes Institute of Management, Gurgaon, India. The aim of the journal is to attract articles that address issues the industry is currently facing. A special focus is on articles that provide innovative solutions to these issues. The journal articles not only are of interest to academics, but also, with their focus on relevance, should be of interest to policy makers, think tanks, government, corporate and multilateral institutions, professionals, and industry leaders. Manuscripts undergo a double-blind peer review process, and the journal follows all international journal publication norms. The journal is published with an open-access format so that it reaches the maximum readers. Journal Publishing Services for publication are powered by Sage Spectrum.

Aims and Scope

GLIMS Journal of Management Review and Transformation aims to publish scientific, empirical research on the theory, practice, and contemporary perspectives of management focusing on the problems, interest, and concerns of managers. It aims to explore interesting questions and phenomena in management, develop and/or test theory, replicate prior studies, and review and synthesize existing research.

Within its scope are all aspects of management related, but not limited, to strategy, entrepreneurship, innovation, information technology, digital business, analytics, artificial intelligence, machine learning, and policy and organizations, as well as all functional areas of business, such as organizational behavior, human resource management, accounting, finance, marketing, operations, data and analytics, and technology transformation.

This journal intends to publish a variety of articles including quantitative and qualitative empirical research articles and conceptual articles that provide novel perspectives on recent business phenomena. To achieve our aim of writing about business transformation, the journal will also include case studies and book review articles. It would also publish abstracts of PhDs that are relevant and in-line with the journal's objectives.

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Editorial

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Welcome to the second issue of Volume 3 of GLIMS Journal of Management Review and Transformation (JMRT). Since our inception, GLIMS JMRT has been a dedicated platform for exploring and advancing critical topics in management, fostering connections between research and practice to spark innovation and progress across global communities. Our commitment remains to publish high-quality, impactful research that bridges theory and real-world application, supporting both academic discourse and organizational transformation.

In this issue, we present a compelling collection of articles that delve into pressing themes within management, sustainability, finance, and ethics. We are pleased to include contributions from both Indian and international authors, reflecting the diverse perspectives that shape today's dynamic management landscape. Each manuscript has been rigorously reviewed to ensure relevance, originality, and scholarly value. Through these contributions, we aim to ignite meaningful dialogue and inspire further exploration of contemporary challenges faced by organizations worldwide.

The featured works explore a range of important topics, including the role of HRM in promoting environmental sustainability, a bibliometric analysis of green HRM practices in South Asia, an analysis of global capability centers in India, gendered ethical decision-making among sales professionals, and asymmetric interest rate pass-through in India. Together, these articles provide insights that are both thought-provoking and applicable, encouraging new lines of inquiry in management.

We extend our sincere gratitude to our authors for their valuable contributions and to our reviewers for their dedicated support and insightful feedback. Your expertise and commitment uphold the standards of excellence that define GLIMS JMRT.

We welcome feedback from our readers and encourage submissions from scholars and practitioners worldwide who are passionate about advancing the field of management and driving positive organizational change.

Dr. Akhter Mohiuddin Rather

Editor, GLIMS JMRT

Interest Rate Pass-through: Asymmetric Evidence from India

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Taufeeq Ajaz¹ 

Abstract

This article analyses interest rate pass-through in India using nonlinear autoregressive distributed lag (NARDL) model. The results suggest the rejection of decoupling hypothesis of interest rates. The results show evidence of cointegration between the policy rates and all other market interest rates. We find evidence of near complete, relatively rapid and asymmetric pass-through from policy rates to the immediate monetary policy target in India, that is, call money rates. However, we find evidence of incomplete, sluggish and asymmetric pass-through from policy rates to both long-term market interest rates and lending rates.

Keywords

Interest rate, monetary policy, cointegration, NARDL

JEL Classification: E43; E52

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Introduction

The relationship between policy-regulated interest rates and longer-term market interest rates is elemental to the operation of monetary policy. There is almost a similar monetary policy operating procedure adopted worldwide. The central bank of a country sets the policy rates which are aimed to directly affect the market interest rates. The successful transmission of these policy changes is supposed to

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affect real economic activity through different channels, popularly known as ‘transmission mechanism of monetary policy’. Money market has a pivotal role in monetary transmission as money market interest rates are the first or immediate targets of monetary policy. Central banks intently observe and affect money market developments as they are the most important and critical link through which monetary policy influences the final targets of price stability and output (Becker et al., 2012). Since central banks have limited control over long-term interest rates which are supposed to affect real economic activity via investment and expenditure decisions, the central bank regulates these rates via signalling mechanism. Due to the presence of asymmetric information and other market rigidities in financial markets, signalling is an effectual mechanism of overcoming the asymmetry and successfully transmit the central bank’s policy stance to the market. The policy stance via signalling indicates the intention of policymakers and their future outlook on macroeconomy. The signalling mechanism tends to be strong in developed economies owing to well-developed financial systems. In emerging market economies due to various reasons like market segmentation and weak monetary transmission, the signalling mechanism is very weak. In the backdrop of this weak signalling mechanism, there are continuous changes in the framework and operating procedure of monetary policy in these economies to increase the efficacy of policy actions. One such important change was the emphasis by central banks on price channels by early 1980s. The price channel is the use of short-term interest rates to manage liquidity in the system. This change in the operating framework made money market developments more important from transmission point of view.

Amidst the changes in monetary policy framework, it becomes imperative to study the effects of policy actions on intermediate and subsequently on final goals in order to have an enhanced and clearer picture about the transmission of policy actions. As it is known that central banks influence both the cost and quantity of liquidity through changes in policy rates, financial markets respond to these policy changes and adjust different rates of return on their assets. This response of market interest rates to changes in policy-administered interest rates is called interest rate pass-through. A complete pass-through from policy rates to market interest rates is a sign of sound and competitive financial system. An incomplete pass-through is an indication of stickiness or market rigidity. The success of monetary policy in achieving its goals depends on the stickiness or interest rate rigidity present in the market. The changes in official policy rates affect the market interest rates to varying degrees or in other words, there is no one-to-one relation as expected. There is a growing literature which points towards the incomplete pass-through. The empirical literature also points towards asymmetric pass-through; that is, rate cuts and rate hikes (of policy rate) do not have equal effect. The theoretical explanations of incomplete and asymmetric interest-rate pass-through provided by literature include implicit contracting, imperfect competition in banking sector, asymmetric information, long-term bank-client relationship, menu costs, economic conditions, risk sharing and switching costs (De Bondt, 2002; Francesco & José, 2015). In this article, our main focus is to empirically test these assumptions in monetary theory regarding monetary policy like the pass-through from central

bank policy rates to market interest rates is complete (i.e., there is a one-to-one relation) and symmetric (i.e., reaction towards rate cuts and hikes are equal).

Literature Review

While there is ample theoretical as well as empirical literature on efficacy of monetary policy transmission, the incompleteness and asymmetric pass-through of policy rates have been more or less an under-investigated area. In this section, we will review some important studies which have focused on different aspects of interest-rate pass-through.

To begin with, we need to look at the two stages of pass-through. The first stage is the transmission of policy rates to short-term and long-term money market interest rates and the second stage is the transmission from money market to commercial lending and deposit rates. The first stage is largely influenced by the stability of yield curve over time. If the term structure of interest rates remains stable over time, then pass-through from policy rates to market rates may be proportionate, otherwise, any twiddle changes the scenario (Égert et al., 2007). The first important study to look into interest rate pass-through in the second stage is perhaps by Fried and Howitt (1980), who showed that interest rate rigidity arises because of risk-sharing agreements between banks and their customers. The pioneering work in this area can be seen as that of Stiglitz and Weiss (1981). They explained interest rate rigidity in terms of asymmetric information. According to them, banks maintain a large spread in perception of high default risk, and given that information asymmetry leads to adverse selection in loan markets, any rate increase from monetary authority if matched by banks would increase the loan default probability, because higher interest rates attract riskier borrowers. Thus, instead of raising rates on loans, banks maintain equilibrium through credit rationing. This may lead to upward rigidity and asymmetric adjustment in lending rates. Rotemberg and Saloner (1987) explained the phenomena of interest rate rigidity in terms of menu costs theory. According to them as long as policy rate changes are small and perceived as temporary, pass-through may be delayed and in some cases missing altogether. Lowe and Rohling (1992) explained the interest rate rigidity in terms of switching costs. According to them, higher switching costs can be a demotivating factor for customers to change banks. This factor is exploited by banks in terms of asymmetric or incomplete pass-through. In a similar study, Berger and Udell (1992) showed how implicit contracts and other kinds of agreements make interest rate pass-through stickier and asymmetric. Bernanke et al. (1996) showed how in presence of asymmetric information, financial frictions lead to overpass-through from policy to retail rates. On overpass-through, De Bondt (2005) highlighted different reasons. He explains that instead of credit rationing, banks increase lending rates more than those dictated by the monetary authority. This more than proportionate change can be seen as compensation for increasing probability of loan default from a rate hike. Kwapil and Scharler (2006) provide a detailed survey of literature on interest rate pass-through. Some general conclusions emerging from that study are that pass-through from policy rates to

market rates is both sluggish and incomplete. Other important findings from that survey point that degree of pass-through decreases with increasing maturity. Égert et al. (2007, 2009) highlighted the role of macroeconomic environment in affecting interest rate rigidity. According to these studies, favourable macroeconomic condition like high economic growth prompt banks to pass on policy changes quickly as risk of default is low or in other words probability of repayment is high.

The other important aspect of pass-through we are interested in testing is the asymmetry. The theoretical underpinning of asymmetry lies in collusive behaviour of banks. There are two hypotheses which explain the asymmetry of pass-through, namely collusive behaviour hypothesis and adverse customer reaction hypothesis. According to collusive behaviour, hypothesis imperfect competition in banking or collusive agreements leads to asymmetric pass-through. Thus, there will be an upward rigidity in deposit rates following a policy rate hike and there will be downward rigidity in lending rates following a policy rate cut. The reason for upward rigidity in deposit rates being that higher deposit rates mean increased costs for banks or in other words lower profits. And the reason for downward rigidity in lending rates is that if lending rates are decreased following a policy rate cut, the lower lending rates simply mean lower profit earnings for banks. The adverse customer reaction hypothesis states that in a highly competitive environment, customers have bargaining power. Fearing a negative backlash in terms of losing customers to other banks who may not follow the suit (change their deposit and lending rates following policy changes), banks may choose not to pass on the policy changes symmetrically to the customers. There are other hypotheses which explain the asymmetric pass-through like adverse selection and switching costs hypothesis which we already discussed.

Although empirical literature indicates presence of asymmetry in pass-through, but the exact forms of asymmetry are not clear as there is a dearth of studies which have studied nonlinearities in pass-through in a meticulous manner. Among the early studies on asymmetry of pass-through, Borio and Fritz (1995), while studying interest rates for various OCED economies using ECM models, found positive short-run asymmetry from market rates to lending rates. Gual (1999) while studying interest rates in some European economies found evidence of negative short-run asymmetry. His findings suggested that due to competition, banks tend to adjust lending rates more quickly when market interest rates are declining than when they are rising. Dueker (2000) analysed the US data on interest rates using ordered probit models and concludes that there is positive long-run asymmetry from policy rates to long-term interest rates. Contrary to this Sellon (2002) provided evidence of long-run negative asymmetric pass-through from policy rates to mortgage rates in the US. Sander and Kleimeier (2004), using a nonlinear ECM for Euro Area, found rigidity in upward and downward adjustments. They found upward adjustment to be faster than downward adjustments for majority of countries under study. In a recent study by Greenwood-Nimmo et al. (2013), while analysing US monetary policy pass-through under different regimes, the authors found mixed evidence for positive short-run and negative long-run asymmetry. Also, the study confirms sluggishness and incompleteness in pass-through from policy rates to long-term market interest rates.

Now turning towards the studies on India, India has been a part of various panel studies on interest rate pass-through, the results of which have no consensus. For example, Karagiannis et al. (2009) while studying interest rate pass-through in BRIC¹ countries found variations across the panel. However, for India, the authors found complete pass-through in the long run. In contrast, Guimaraes and Ruiz-Arranz (2009) while studying pass-through in nine Asia-Pacific economies found incomplete pass-through in the Indian case; precisely they found the pass-through coefficient to be 0.3. A similar result was found by Hattari et al. (2011); while studying pass-through for four Asian economies², they found the long-run pass-through coefficient to be 0.3 for India.

While the above-reviewed studies were panel studies where the results have no consensus and individual country effects are not taken care of, we turn towards the studies which exclusively focused on India. The Currency and Finance Report of Reserve Bank of India (RBI) (2003–04) found an incomplete interest rate pass-through, precisely the pass-through coefficients were 0.61 for lending rates and 0.42 for deposit rates and hence confirming rigidity in response to rate changes. The report also found pass-through coefficients showed increasing signs over time thus showing signs of improving transmission. Bhattacharyya and Sensarma (2008), while studying various signalling instruments of RBI, found the changes in principal signalling instrument from pre-LAF to post-LAF period.³ The study by Bhattacharyya and Sensarma (2008) further showed that cash reserve ratio (CRR) is the dominant instrument in pre-LAF while the repo rate became dominant tool in the post-LAF. The study concluded that RBI's policy actions have considerable influence over various segments of financial markets in India, but the impact on stock markets is insignificant. The study overall concluded that new tools of monetary policy have better impact on overall transmission. Singh (2011) while studying pass-through from policy rates to various market interest rates found lagged effects in the pass-through thus confirming incomplete and sluggishness in the pass-through. Recently there have been two important studies which studied the interest rate pass-through in India as two-stage process. The first stage is pass-through from policy rates to immediate target (money market interest rates) and the second stage is from immediate target to market interest rates. The first study is by Das (2015), which studied the credit channel of monetary policy in India. The main findings of this study are that in the first stage, there is almost complete pass-through from repo rate to WACMR (weighted average of call money rates; immediate target of monetary policy in India), while pass-through from reverse repo and CRR was either incomplete or insignificant. In the second stage, the study found evidence of slow and asymmetric pass-through to bank interest rates in India. Specifically tight monetary policy leads to more quick adjustment in lending rates than monetary expansion. The second study is by Rajan and Yanamandra (2015), which studied pass-through as a two-stage process. The study found evidence of complete pass-through in the first stage, that is, from policy rate to interbank rates; and incomplete pass-through in the second stage, that is, to lending rates. The study, however, refrains from saying that monetary policy is ineffective as the lending rates and policy rates showed co-movement in the same direction.

After reviewing the available studies in general and those focusing on India, we found that the asymmetric aspect of interest rate pass-through has not been

studied in a rigorous manner, particularly in the Indian context. Hence, this study is an attempt to fill this gap at an empirical level.

Data Description and Empirical Method

In this article, we examine the pass-through of RBI's rate changes to market interest rates (short-term and long-term) as well as to lending rates. The study uses monthly data from June 2000 to March 2020. The stance of monetary policy is measured by a composite index constructed by principal component analysis (PCA; discussed in detail in next section). The index of monetary policy stance (hereafter MPI) was constructed by using data on repo, reverse repo and CRR. For short-term interest rates, two variables namely WACMR and 91 days treasury bills (TB) are used. For long-term interest rates, data on government securities (hereafter G-Sec) of various maturities – one year (ONEY), three years (THREEY), five years (FIVEY) and ten years (TENY) – is used. The reason for taking G-Sec data is that this segment of money market is fairly developed in India (Bhattacharyya & Sensarma, 2016) and as we already discussed the success of monetary policy transmission depends on development of money market. In addition, as pointed by former RBI deputy governor, the G-Sec market serves as standard benchmark for pricing other market instruments; hence, it is pivotal in the transmission of monetary policy across the yield curve (Mohan, 2009). For lending rates, benchmark prime lending rate (BPLR) of the State Bank of India (SBI) is used as proxy. The reason for taking SBI BPLR as lending rate proxy is that SBI is the largest lender in India. The data for short and long-term interest rates is taken from Reserve Bank of India's database on Indian economy. Data on SBI BPLR is taken from SBI. The descriptive statistics of variables used are reported in Table 1.

The empirical estimation is carried out by using nonlinear autoregressive distributed lag (NARDL) (Shin et al., 2014). The asymmetric ARDL (NARDL) model combines a nonlinear long-run relationship with nonlinear error correction by the use of carefully constructed partial sum decompositions. Consider the following asymmetric regression:

$$y_t = \beta'^+ x_t^+ + \beta'^- x_t^- + v_t \quad (1)$$

Table 1. Descriptive Statistics.

Variables/ Statistics	MPI	WACMR	TB	ONEY	THREEY	FIVEY	TENY	BPLR
Mean	−0.006	6.599	6.664	6.995	7.291	7.507	7.752	12.524
Std. Dev.	1.430	1.881	1.708	1.481	1.263	1.228	1.217	1.644
Skewness	−0.098	0.237	−0.051	0.020	0.136	0.121	0.474	0.060
Kurtosis	2.315	4.209	2.518	2.478	3.198	3.599	4.673	1.514
Jarque-Bera (J-B Test)	4.301	14.261	2.050	2.321	0.959	3.526	31.246	18.790
Probability (J-B Test)	0.116	0.001	0.359	0.313	0.619	0.172	0.000	0.000

Where x_t is a $k \times 1$ vector of regressors decomposed as:

$$x_t = x_0 + x_t^+ + x_t^-$$

Where x_t^+ and x_t^- are partial sum processes of positive and negative changes in x_t defined by

$$x_t^+ = \sum_{j=1}^t \Delta x_j^+ = \sum_{j=1}^t \max(\Delta x_j, 0), x_t^- = \sum_{j=1}^t \Delta x_j^- = \sum_{j=1}^t \min(\Delta x_j, 0) \quad (2)$$

Where β^+ and β^- are the associated asymmetric long-run parameters. The asymmetric error correction model is:

$$\Delta y_t = \rho y_{t-1} + \theta^+ x_{t-1}^+ + \theta^- x_{t-1}^- + \sum_{j=1}^{p-1} \phi_j \Delta y_{t-j} + \sum_{j=0}^{q-1} (\pi_j^+ \Delta x_{t-j}^+ + \pi_j^- \Delta x_{t-j}^-) + \varepsilon_t \quad (3)$$

Where $\theta^+ = -\rho\beta^+$ and $\theta^- = -\rho\beta^-$.

In this framework, the procedure of testing follows as suggested by Shin et al. (2014), according to which 'the non-standard bounds-based F-test of the null hypothesis $\rho = \theta^+ = \theta^- = 0$ can be applied to test for the existence of an asymmetric long-run levels relationship (Pesaran et al., 2001). Both long-run and short-run restrictions can be easily tested using standard Wald tests. This approach is valid irrespective of whether the regressors are I(0), I(1) or fractionally integrated.

The error-correction mechanism described by Equation 3 can have the following three special cases:

- (i) Long-run symmetry where $\theta = \theta^+ = \theta^-$
- (ii) Short-run symmetry in which $\sum_{i=0}^q \pi_i^+ = \sum_{i=0}^q \pi_i^-$; and
- (iii) The combination of long- and short-run symmetry in which case the model collapses to the standard symmetric ARDL model advanced by Pesaran and Shin (1999)'.

Additionally, the adjustment from a shock (short-run disequilibrium) to a new steady state long-run equilibrium is explained by dynamic multipliers whose cumulative asymmetric nature is expressed as:

$$m_h^+ = \sum_{j=0}^h \frac{\partial y_{t+j}}{\partial x_t^+}, m_h^- = \sum_{j=0}^h \frac{\partial y_{t+j}}{\partial x_t^-}, h = 0, 1, 2, \dots \quad (4)$$

Where m_h^+ and m_h^- tends toward the respective asymmetric long-run coefficients $\beta^+ = \frac{-\theta^+}{\rho}$ and $\beta^- = \frac{-\theta^-}{\rho}$, respectively, as $h \rightarrow \infty$. Here, x_t is decomposed into x_t^+ and x_t^- about a zero-threshold value delineating the positive and negative changes

in the growth rate of x_t . This simple approach has an intuitive appeal and provides estimation results that may be easily interpreted.

The cointegration test applied to Equation 5, is an F -test on the joint hypothesis that the coefficients of the lagged level variables are jointly equal to zero. The general-to-specific approach is followed for the final NARDL specification. The preferred specification is chosen as suggested by various lag selection criteria's and dropping all insignificant lags. The inclusion of insignificant lags may lead to imprecision in the estimation, which may introduce noise into the dynamic multipliers.

The following nonlinear error correction model is used for estimation:

$$\Delta Z_t = c + \rho Z_{t-1} + \theta_1 MPI_{t-1}^+ + \theta_2 MPI_{t-1}^- + \sum_{i=1}^{p-1} \omega_j \Delta Z_{t-i} + \sum_{i=0}^{q-1} \pi_i^+ \Delta MPI_{t-i}^+ + \sum_{i=0}^{q-1} \pi_i^- \Delta MPI_{t-i}^- + e_t \quad (5)$$

Where MPI is monetary policy index and Z is the vector of various interest rates used in the study which enters the estimation procedure alternatively.

Order of integration is less relevant for NARDL, albeit the variables should not be $I(2)$ in which case the computed test statistics are not valid. Therefore, to ensure that none of the variables is integrated of order two, that is, $I(2)$, it is important to check for unit root. We have used Ng and Perron (2001) unit root test, which is considered more robust compared to other unit root tests. The results reveal none of the variables is $I(2)$ and the results are reported in Table 2. We also used Augmented Dickey–Fuller (ADF) and Dickey–Fuller Generalized Least Squares (DF-GLS) unit root tests.⁴ The results of these tests also corroborate the results of Ng and Perron (2001). Therefore, we may conclude that none of the variables used in the study is $I(2)$.

The estimation procedure followed in this article differs from what has been widely followed in studying pass-through from policy rates to market interest rates. In this article, we will estimate the first stage of pass-through from policy rates (using MPI) to short-term rates where WACMR rate is the immediate target of monetary policy in India. In the second stage, instead of estimating pass-through from money market interest rates to lending rates as is standard practice in literature, we will estimate the pass-through directly from policy rates to long-term interest rates and lending rates. The reason is that due to presence of large state-owned banks and their role in the financial system, the standard two-stage pass-through framework does not work in India (Rajan & Yanamandra, 2015). Since we are using data for lending rates from the largest state-owned bank in India, it is appropriate that we follow the monetary policy approach of pass-through.

Monetary Policy Index

The RBI uses multiple instruments for the conduction of the monetary policy. These instruments can be broadly classified as price-based and quantity-based instruments. The price-based instruments are mainly directed to influence the cost-of-funds for financial institutions, e.g. repo rate and reverse repo rate. The quantity-based

Table 2. Ng-Perron Unit Root Tests.

Variables/ Statistics	Constant (No trend)				Constant and Trend			
	MZa	MZt	MSB	MPT	MZa	MZt	MSB	MPT
MPI	-4.022	-1.284	0.319	6.249	-10.351	-2.275	0.220	8.803
WACMR	-7.145	-1.825	0.255	3.668	-15.545	-2.784	0.179	5.885
TB	-2.658	-1.062	0.399	8.876	-5.206	-1.613	0.310	17.501
ONEY	-1.887	-0.878	0.465	11.884	-4.083	-1.424	0.349	22.260
THREEY	-1.247	-0.665	0.533	15.958	-3.316	-1.283	0.387	27.396
FIVEY	-1.016	-0.560	0.552	17.566	-3.212	-1.266	0.394	28.337
TENY	-0.606	-0.390	0.645	23.815	-2.852	-1.182	0.414	31.586
BPLR	-0.993	-0.516	0.520	16.470	-6.607	-1.811	0.274	13.796
1% level	-13.800	-2.580	0.174	1.780	-23.800	-3.420	0.143	4.030
5% level	-8.100	-1.980	0.233	3.170	-17.300	-2.910	0.168	5.480
10% level	-5.700	-1.620	0.275	4.450	-14.200	-2.620	0.185	6.670
First difference								
MPI	-49.044	-4.952	0.101	0.500	-49.153	-4.957	0.101	1.854
WACMR	0.130	0.160	1.230	83.813	-0.822	-0.582	0.708	93.926
TB	0.032	0.024	0.764	35.821	-6.143	-1.752	0.285	14.835
ONEY	-93.062	-6.820	0.073	0.266	-98.084	-6.992	0.071	0.970
THREEY	-5.233	-1.608	0.307	4.708	-43.008	-4.611	0.107	2.256
FIVEY	-5.530	-1.653	0.299	4.461	-44.666	-4.704	0.105	2.153
TENY	-23.182	-3.405	0.147	1.057	-38.642	-4.386	0.113	2.413
BPLR	-57.788	-5.375	0.093	0.424	-58.056	-5.388	0.093	1.571
1% level	-13.800	-2.580	0.174	1.780	-23.800	-3.420	0.143	4.030
5% level	-8.100	-1.980	0.233	3.170	-17.300	-2.910	0.168	5.480
10% level	-5.700	-1.620	0.275	4.450	-14.200	-2.620	0.185	6.670

instruments like CRR and statutory liquidity ratio (SLR) are directed to affect the volume of funds available to financial institutions. Change in one of them or a simultaneous change in more than one instrument can lead to misinterpretation of the overall policy stance. For example, if repo rate is decreased with an increase in CRR, one wonders what the overall stance of monetary policy is. The overall impact of this kind of policy move depends on the cost adjustment capacity and liquidity availability position of financial institutions. In such a situation, it is difficult to identify a single instrument to be the main policy instrument. So, in order to overcome this problem, it becomes imperative to consider all these instruments to get a better picture of the overall policy stance. Hence, we developed a comprehensive index using PCA which includes these instruments for our analysis.

The monetary policy index (hereafter MPI) which we developed includes the data on repo rate, reverse repo rate, and CRR. The reason for exclusion of SLR is that from 1997 to 2008 SLR stayed constant at 25% and even after that it declined by less than 5%. In contrast other instruments show frequent changes. As pointed out by Mishra et al. (2016), lending response to SLR changes is very small as compared to CRR, and since there are fewer changes in SLR during our sample period, we dropped it from our analysis.

Empirical Results

We start our discussion with MPI. The results from PCA are reported in Tables 3 and 4. From Table 3, it can be seen that component 1 explains about 68% of variation in the data, component 2 explains 29% and component 3 about 2%. The eigenvectors from Table 4 suggest that for only component 1 all the instrument weights are positive. Hence, we take component 1 as our index (MPI) for further analysis. In component 1, repo rate emerges to be the most important relative to reverse repo and CRR. Hence, we can conclude that during our analysis period, repo rate is the most important policy tool used by RBI to conduct the monetary policy operations.

For a composite index to be representative of vector of variables, it is important that the index behaves the same way as individual components. In order to check this property, we plotted MPI with its individual components, that is, repo rate, reverse repo and CRR. Figure 1 shows the plot of MPI, repo, reverse repo and CRR. From Figure 1, it can be seen that MPI captures the policy stance as depicted by movements in other policy instruments. All the contractionary and expansionary phases are well captured. It can be seen that individual policy instruments also co-move in the same direction; thus, we may conclude that despite multiple objectives, no systematic policy decision bias is found in monetary policy of RBI.

Now moving towards the results of interest rate pass-through. We start our analysis with the results of short-term interest rates – WACMR and TB. The results are reported in Table 5. The F_{pss} test confirms the existence of cointegration in both cases. The F_{pss} values in both cases exceed the upper critical value of 5.73 for $k = 1$, where k is number of independent or explanatory variables and does not take into account the decomposition of variables as positive and negative partial sums as required in NARDL.

The results of Wald test (Table 5) suggests rejection of long-run symmetry in both positive and negative cases. The Wald test statistics does not allow us to reject the null of short-run symmetry. The overall evidence, therefore, is absence of short-run asymmetry from MPI to short-term interest rates and presence of long-run asymmetry. The speed of adjustment is negative as expected. However, the adjustment speed for TB is less than WACMR. From the results in Table 5, it can be seen

Table 3. Principal Component Analysis.

Component	Eigenvalue	Difference	Proportion	Cumulative
Component1	2.0476	1.167	0.682	0.682
Component2	0.8801	0.807	0.293	0.975
Component3	0.0724	–	0.024	1.000

Table 4. Principal Components (Eigenvectors).

Variable	Component1	Component2	Component3	Unexplained
Repo	0.682	–0.099	–0.724	0.00
Reverse Repo	0.629	–0.425	0.650	0.00
CRR	0.372	0.899	0.227	0.00

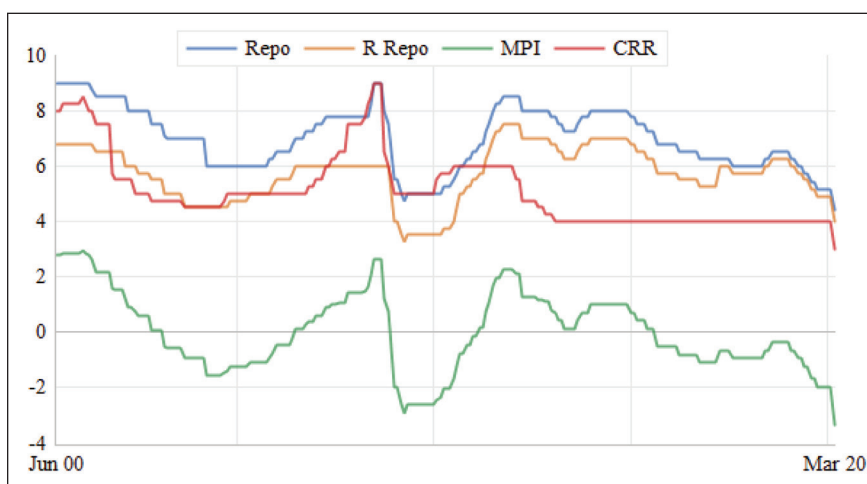


Figure 1. Plot of MPI and Other Monetary Policy Instruments.

Table 5. NARDL Results for Short-term Interest Rates.

	WACMR	TB
ρ	-0.59 (0.00)	-0.31 (0.00)
MPI^+	1.00 (0.00)	0.99 (0.00)
MPI^-	0.91 (0.00)	0.81 (0.00)
F_{PSS}	16.33	7.23
W_{LR}	31.65 (0.00)	36.95 (0.00)
W_{SR}	0.46 (0.83)	0.07 (0.78)
χ^2_{SC}	0.099 (0.75)	0.001 (0.96)

that MPI^+ coefficient is unity in case of WACMR and close to unity in case of TB, which can be seen as complete pass-through from policy rate to short-term interest rates in case of a rate hike. In contrast the MPI^- coefficients for WACMR (0.91) and TB (0.81) are below unity, which can be as incomplete pass-through from policy rates to short-term interest rates in case of a rate cut. Thus, the complete pass-through in case of rate hike and incomplete pass-through in case of rate cut is seen as asymmetric pass-through. The overall evidence suggests that RBI has been successful in achieving the primary goal. The weighted average of call rate is set on a daily basis by the interbank segment of call money market and this call rate is seen as operating target of RBI. As our results reveal RBI has been successful in aligning its operating tools with call rate thereby successfully regulating liquidity in the economy. Our results suggest that RBI has been successful in ensuring the efficacious transmission of policy changes to the first stage of interest rate term structures.

Figures 2 and 3 show the dynamic effects of a unit negative/positive change in MPI on WACMR and TB. The blue line is the line of asymmetry. The value of this line at any given point indicates asymmetry at that point. From Figures 2 and 3, it can be seen that there is only long-run asymmetry as the blue line shows that the

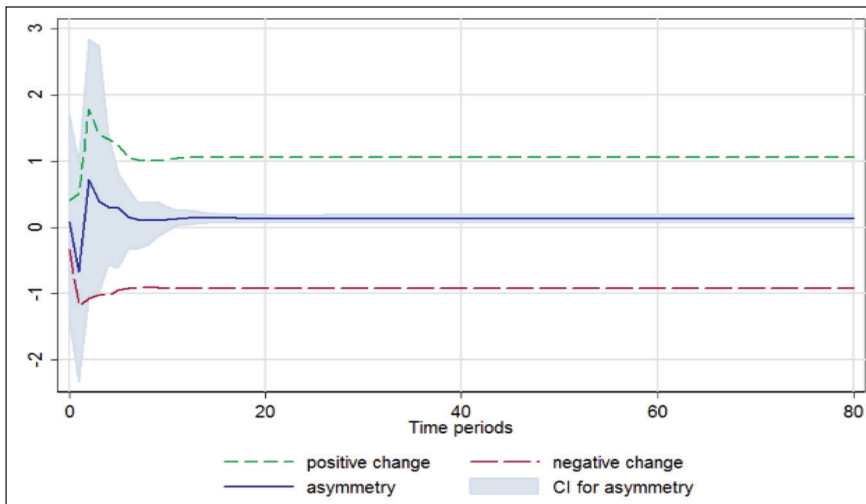


Figure 2. Cumulative Effect of MPI on WACMR.

Note: 99% bootstrap CI is based on 100 replications.

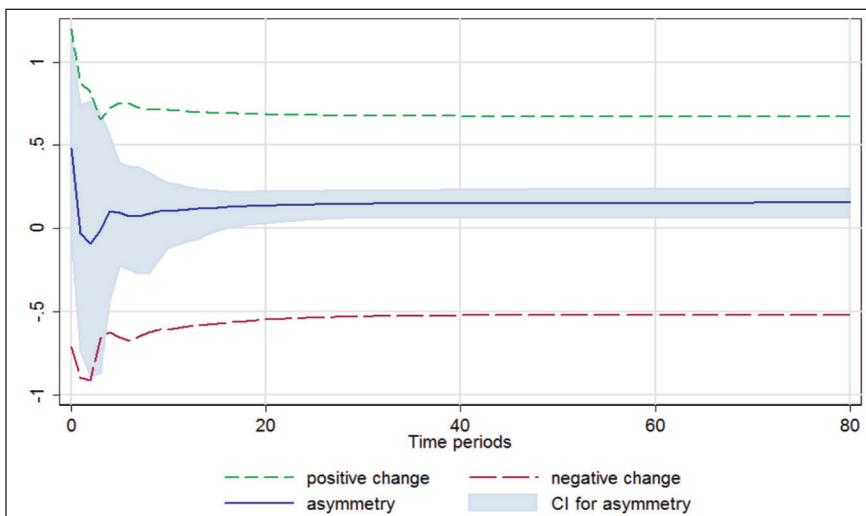


Figure 3. Cumulative Effect of MPI on TB.

Note: 99% bootstrap CI is based on 100 replications.

response is asymmetric to both positive and negative changes. Over the long horizon, the response is asymmetric in both cases as WACMR as well as TB respond more to the positive changes as compared to negative changes thus confirming the presence of long-run asymmetry of positive nature. From the above figures, it can be seen that it takes nearly five to six months to reach new equilibrium from a shock.

Table 6. NARDL Results for Long-term Interest Rates.

	ONEY	THREEY	FIVEY	TENY
ρ	-0.15 (0.00)	-0.10 (0.00)	-0.08 (0.00)	-0.07 (0.08)
MPI ⁺	0.67 (0.00)	0.27 (0.02)	0.075 (0.08)	0.04 (0.1)
MPI ⁻	0.52 (0.00)	0.12 (0.05)	0.070 (0.08)	0.16 (0.06)
F _{PSS}	6.57	6.82	6.03	7.44
W _{LR}	16.07 (0.00)	8.23 (0.00)	5.27 (0.02)	3.39 (0.06)
W _{SR}	0.01 (0.92)	0.20 (0.65)	0.40 (0.52)	1.13 (0.288)
χ^2_{SC}	0.01 (0.91)	4.63 (0.31)	1.69 (0.19)	1.34 (0.21)

The results for long-term interest rates are presented in Table 6. The F_{PSS} test confirms the existence of cointegration in both cases. The F_{PSS} values in both cases exceed the upper critical value. The Wald test suggests rejection of long-run symmetry in all cases, hence the evidence of long-run asymmetry in all cases. The Wald test statistics does not allow us to reject the null of short-run symmetry. The overall evidence, therefore, is absence of short-run asymmetry and presence of long-run asymmetry. The results are similar to short-term interest rates as far as asymmetry is concerned. However, the remarked difference is that of pass-through coefficients. The pass-through coefficients decline with increasing maturity with the exception of MPI for TENY. The coefficients of adjustment are negative and significant in all cases. However, the speed of adjustment declines with increasing maturity. From Table 6, it can be seen that the positive coefficients are larger than the negative ones with the same exception for TENY. These declining and different coefficients for MPI⁺ and MPI⁻ are highly suggestive of incomplete and asymmetric pass-through from policy rates to long-term money market rates. The dynamic multipliers presented in Figures 4, 5, 6 and 7 show the presence of long-run positive asymmetry in all cases.

The overall picture of our results shows that between the short-end and the long-end of yield curve, the pass-through from policy rates varies significantly. As is clear from our results influence of monetary policy on short-term interest rates is significant, while in case of long-duration maturity interest rate-bearing securities the pass-through from policy rates declines as maturity increases. Thus, we can say monetary policy has a significant influence on short end of yield curve as compared to the long end. These results are in line with other notable studies in the area. Our results also show that there is noticeable asymmetry which shows substantial similarity across the vector of interest rates under study. We find the long-run response to monetary tightening is greater in absolute value than the response to monetary expansion of the same value. This kind of differential response to a rate hike and rate cut is dubbed as long-run positive asymmetry.

Our results have profound policy implications. The positive long-run asymmetry can be seen as limitation of monetary policy in lowering long-term inflationary expectations. It can also be seen as ability of monetary policy to slow down an overheated economy but inability to stimulate a slowing economy. Thus, the elucidation of a bygone epigram that one can pull a string but cannot push the same can be viewed as true for monetary policy as suggested by our results. The absolute larger response to rate hikes is an indication that monetary authorities

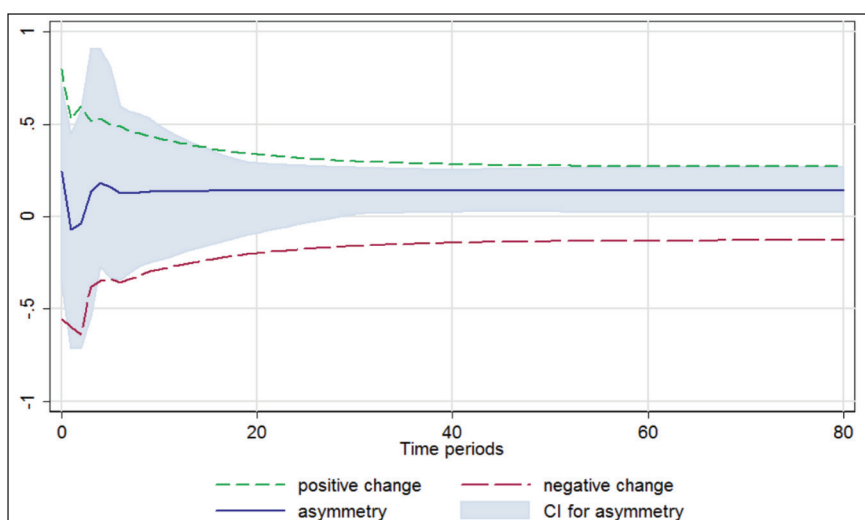


Figure 4. Cumulative Effect of MPI on ONEY.

Note: 99% bootstrap CI is based on 100 replications.

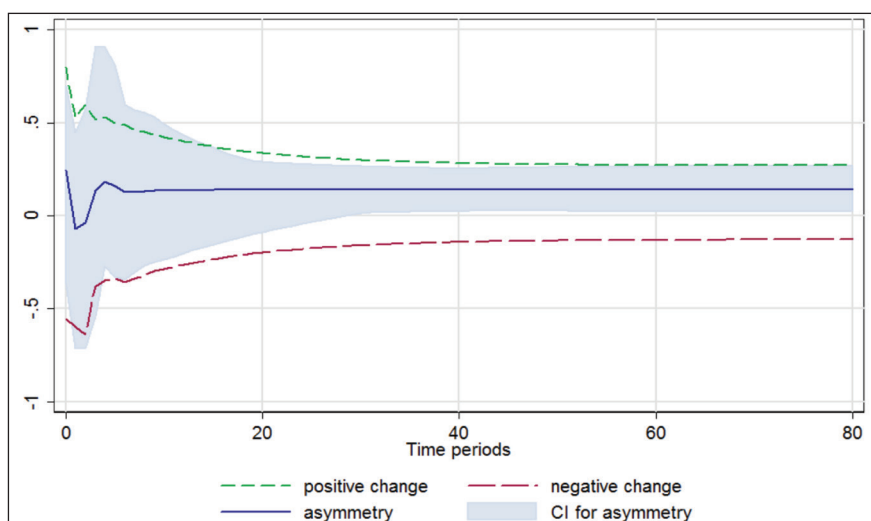


Figure 5. Cumulative Effect of MPI on THREEY.

Note: 99% bootstrap CI is based on 100 replications.

have an advantage in preventing bubbles. This larger response to rate hikes prevents monetary authorities from weighty rate cuts necessary for preventing bubbles. However, the smaller response to rate cuts is of great contemplation from demand management perspective. When response of long-term interest rates to a rate cut is small, authorities need to make repeated cuts in order to have a substantial impact in order to stimulate the economy. As our results show that response to

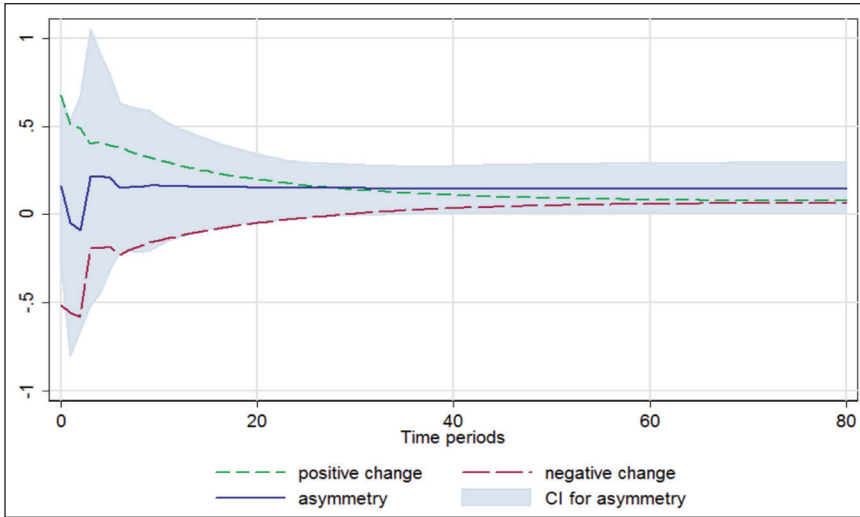


Figure 6. Cumulative Effect of MPI on FIVEY.

Note: 99% bootstrap CI is based on 100 replications.

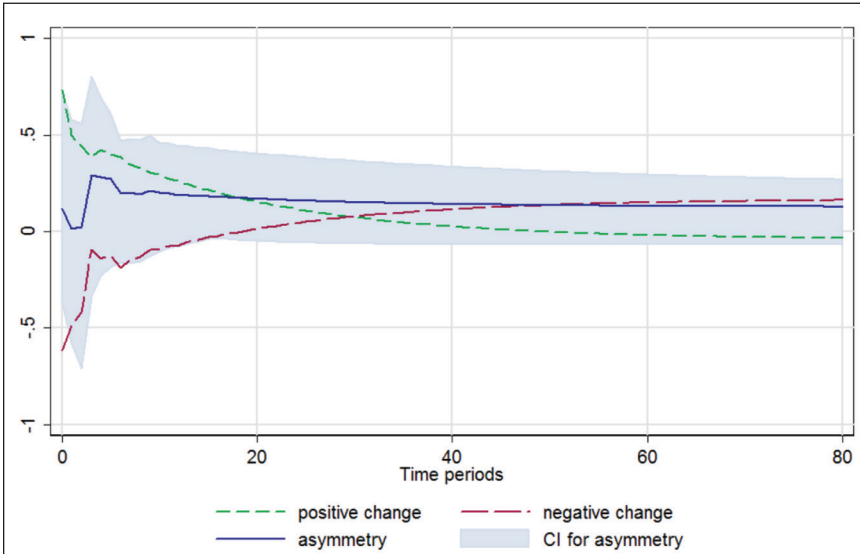


Figure 7. Cumulative Effect of MPI on TENY.

Note: 99% bootstrap CI is based on 100 replications.

rate cuts is smaller than rate hike, under such conditions policymakers either have to make repeated cuts or have to make substantial cuts which may disturb the foreign exchange and financial markets by creating substantial volatility. Moreover, the condition of zero lower bound prohibits central banks from cutting

rates beyond it, if the central bank has not resorted to unconventional measures of monetary policy.

The results for lending rates are presented in Table 7. The F_{PSS} test confirms the existence of cointegrating relationship. As the estimated test statics value exceeds the upper critical value of 5.73 (for $k = 1$). The Wald test suggests rejection of null of long-run as well as short-run symmetry, hence the evidence of both long-run as well as short-run asymmetry. The results are different from those obtained for short-term and long-term interest rates as reported above. The pass-through coefficients for rate hike (0.77) are larger in absolute value than that of rate cut (0.40). This can be dubbed as positive long-run asymmetry. The coefficient of adjustment is negative and statistically significant. However, the small value (−0.15) of coefficient of adjustment suggests sluggish pass-through from policy rates to lending rates.

The dynamic multipliers presented in Figure 8 show the presence of both long-run and short-run positive asymmetry. As can be seen from Figure 8, lending rates

Table 7. NARDL Results for Lending Rates.

	BPLR
ρ	−0.15 (0.00)
MPI ⁺	0.77 (0.00)
MPI [−]	0.40 (0.00)
F_{PSS}	5.80
W_{LR}	482.7 (0.00)
W_{SR}	8.69 (0.00)
χ^2_{SC}	6.87 (0.14)

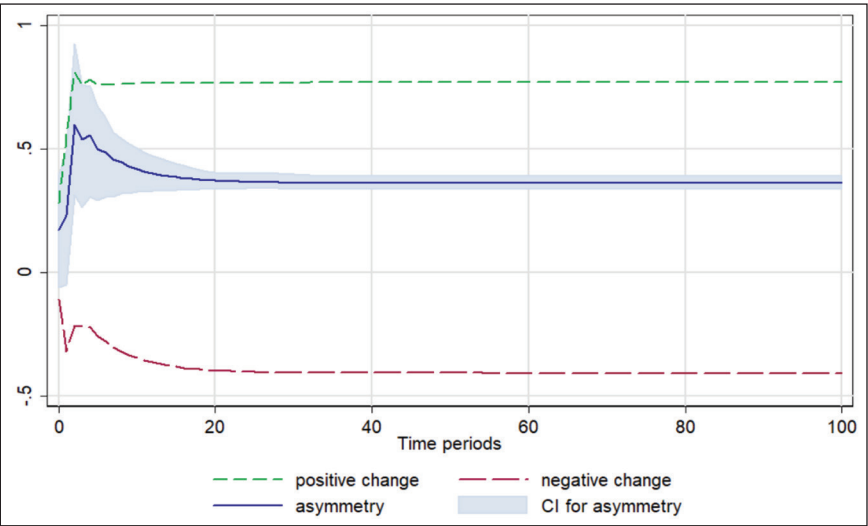


Figure 8. Cumulative Effect of MPI on Lending Rates.

Note: 95% bootstrap CI is based on 100 replications.

respond more to positive changes in both short-run and in long-run. From the above figures, it can be seen that it takes nearly 15–18 months to reach new equilibrium from a shock.

The possible explanations for this slow, asymmetric and incomplete pass-through depend on many factors associated with the costs-of-funds of banks which may or may not be directly related to the policy decisions of central bank. One such explanation for positive short-run asymmetry is the gradual abrasion of the operating margin. Consider when central banks raise policy rates, if banks have sufficient margin, they will absorb this hike and will not pass the hike. On the other hand, if banks do not have enough margins to absorb the hike, they will have to adjust their cost-of-funds, so they will respond to these hikes by passing them on in order to be financially solvent in short-run. Over the long-time horizons if there is competition in the banking sector, banks will have to revive their rates and lower them. The absence of competition allows banks to maintain high rates and response to monetary loosening in such an environment is less effective. In other words, lending rates respond to rate cuts less as compared to rate hikes.

In the absence of banking regulations, commercial banks are free to determine the degree of pass-through from policy rates to their lending rates. These decisions on the extent of pass-through depend on an array of factors like costs-of-funds, liquidity management, market share of a particular bank and profit maximisation. Moreover, financial liberalisation has provided banks a safe haven in the form of access to foreign markets thereby allowing them to keep their margins intact without responding to changes in monetary policy which may alter their costs-of-funds or change their market share.

The greater availability of information by the advent of information technology boom has influenced the pricing strategy of banks dramatically. The borrowers have now greater information about financial market, so they have greater bargaining power in deciding among various borrowing arrangements. Additionally, borrowers face reduced or negligible switching and refinancing costs which make them more foot-loose.

Out of the probable explanations given above, we cannot identify the exact reason for our documented results as this is not the subject matter of this study. However, there are studies which have extensively worked on the impediments to pass-through in India. A closer examination of these studies may help us to corroborate our findings. One of these studies by RBI (2012) finds that increase in credit-deposit ratio⁵ and a decrease in cost-to-income⁶ ratio leads to an increase in the pass-through. The study finds that pass-through increases by 0.45 to 0.52 by a unit standard deviation increase in credit-deposit ratio and pass-through increases by 0.1 with a unit standard deviation decrease in cost-to-income ratio. In another study by RBI (2014), it was found that most of small savings in India are held in small saving schemes like post office savings, saving certificates etc. as compared to bank deposits. Since the rates on these small schemes are regulated, therefore, it weakens the bank lending channel of monetary policy. Rajan and Yanamandra (2015) in their study highlighted that fiscal dominance, bank concentration, inflation and pervasiveness of informal financial sector are major impediments to effective transmission.

Conclusion

In this article, we empirically studied the interest rate pass-through in India. We used data on short-term and long-term money market interest rates as well as lending rates data of SBI to study the pass-through in India. We used asymmetric ARDL model which has many advantages like examination of asymmetries of different nature.⁷ The findings of this study correspond to a certain period, the methodology used and the vector of interest rates studied. Therefore, the findings may change if any of these undergoes a change. Thus, the interpretation and generalising of these findings need to be done with certain caution. The main findings of this study can be summarised in three points.

First, our results suggest the rejection of decoupling hypothesis of interest rates, as we find evidence of cointegration between the policy rates and all other market interest rates. Second, we find evidence of near complete, relatively rapid and asymmetric pass-through from policy rates to the immediate monetary policy target in India, that is, call money rates. In addition, we find evidence of incomplete, sluggish and asymmetric pass-through from policy rates to long-term market interest rates. Third, we find evidence of incomplete, very sluggish and strong (short-run as well as long-run) asymmetric pass-through from policy rates to lending rates.

Given the evidence of incomplete, sluggish and asymmetric pass-through, it is implausible for a central bank to focus only on short-end of yield curve in anticipation that the long-end of the yield curve will follow suit.

In sum, given the complexities in the pass-through as evidenced, relying solely on a single channel or single tool for aggregate demand management by a central bank may not yield suitable results. This kind of policy environment warrants regulatory reform and/or developing more alternative and effective tools for monetary policy. These reforms can be regulation of financial institutions to strengthen them thereby strengthening the pass-through and developing new tools for aggregate demand management.

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Notes

1. Brazil, Russia, India and China.
2. India, Pakistan, Bangladesh and Sri Lanka.

3. Liquidity adjustment facility (LAF) was introduced in June 2000 for maintenance of liquidity in the economy on daily basis.
4. Results are not reported but are available on request.
5. Credit-deposit ratio is the ratio of the amount banks lend from the mobilised deposits. It is an important indicator of banking industry.
6. The cost-to-income ratio is an indicator of operating efficiency of banks. When operating costs are high, a rate cut from monetary authorities may not be passed to the lending rates as this extra earning can be used to manage the high operating costs or in other words to manage the costs of funds.
7. Here we are referring to asymmetries of short-run and long-run in nature.

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Exploring Gendered Ethical Decision-making Among Sales Professionals in India

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Abstract

Humans' abject failure to uphold moral behaviour within workplace relationship calls for ongoing investigation of the complicated challenges brought on by the imbalance between productivity and commitment among employees. This current article is based on studying the gender differences in ethical decision-making among sales professionals in India and understanding under what circumstances the decision-making among the genders differ. The major findings show that no such decision-making difference between males and females exists. The research was conducted with a sample size of 10, but the data saturated at eight participants, wherein four were males and four were females. It is a qualitative study, and still, factors like incentives (money) and the experience level tend to deflect the ethical decisions of the individuals.

Keywords

Ethics, gender differences, sales, rewards, India

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Introduction

The term 'ethics' refers to a set of principles that determine what constitutes 'right, good and proper' action. These principles do not always demand a single 'moral'

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course of conduct, but they do provide a framework for weighing and deciding between competing possibilities (Sunanda, 2018). As situations that undermine the moral fibre of both the commercial and public sector continue to dominate popular and scholarly publications, business ethics remains at the forefront (Grell, 1993). Managers and leaders face a problem in modelling ethical behaviour and being willing to be held accountable to their superiors and the public for their decisions. Empirical evidence also points to a deterioration in ethical behaviour in organisations, notably in business (Walton, 1988).

Ethical decision-making in business is an important area of study. It is so essential that the Journal of Business Ethics has published five comprehensive meta-reviews of the literature, comprising approximately 500 empirical studies spanning nearly 40 years of research (Lehnert et al., 2016). Individuals' ethical decision behaviour is influenced by situational factors such as the organisation's reward system, peer influence, superior influence or organisational norms, according to the situational approach. In order to comprehend ethical behaviour, the most complex models of the ethical decision-making process utilise an interactive approach. This approach assumes that ethical decision-making is the result of a dialogue between the individual and the situation (Ferrell & Gresham, 1985).

Ethical behaviour and the prevailing system of employment relations in any workplace are critical for overall development, the production of goods and services for domestic consumption as well as international trade or exchange, the creation of national wealth, political stability and the inclusive benefits of long-term human development. In other words, the well-being of all stakeholders, the organisation's productivity and eventual profitability.

Ethics plays a critical role in organisational management, ensuring long-term success and stability for both individuals and the organisation. Employees regard ethics to be extremely important in the firm they will work for, and it is one of the most important factors in deciding whether to stay with their current employer or go. Unethical and illegal activity has a significant impact on their beliefs, which can have an impact on employee productivity and behaviour, as well as the company's ability to recruit and retain people (Quierrez, 2020).

Gender disparities in work ethic have been documented in research. Most studies believe that women have a better work ethic than males (Furnham & Rajamanickam, 1992). Gender disparities in behaviours including work ethic have been documented in studies (Sanaria, 2016). Most people believe that women have a better work ethic than men. While work ethic has the same substantive meaning for men and women in certain studies, women do not have a greater work ethic than males. When confronted with widespread perceptions of a 'glass ceiling' impeding women's advancement in the workplace, women may respond by embracing the belief in their ability to succeed and overcome obstacles by working hard and fostering the expectation that consistent hard work will yield positive results. Women and men, according to this argument, understand work ethic in the same way, but environmental restrictions have produced a higher level of professional or dedication work necessary for women's development in the workplace. Men and women understand work

ethic in similar ways, according to the explanation, but work environment constraints have prompted women to place a higher priority on work ethic in order to achieve (Meriac et al., 2009).

In 2020, roughly 19% of women in India were employed, compared to approximately 30% in 1990 (Statista, 2022). Though there is a decline in the number of women participating in the workforce, according to studies, women have an inherent advantage in terms of psychological qualities for leadership roles. Women were deemed to be more honest, caring and innovative as leaders in a poll performed by the Pew Research Centre Social and Demographic Trends (ETHRWorld, 2021). Although women had fewer board seats in India in 2021, there was a rise in the number of women who became CEOs, with 4.7% of female CEOs compared to 3.4% in 2018. According to Deloitte Global's study, selecting a female CEO has a beneficial impact on board diversity. Firms led by women have 33.5% more women on their boards than companies led by males, with 19.4% vs. 33.5%, respectively. For firms with female chairmen, the figures are comparable (30.8% women on boards vs. 19.4%, respectively) (Basu, 2022). The stable increase in the number of women in the leadership roles hints out to the question of the hour, will there be a change in the ethical climate of companies after the appointment of a female CEO or a manager per se.

The growing number of women in the workforce will have a substantial impact on what is considered ethical behaviour in business (Beltramini et al., 1984). India's economy is expanding, with a rising GDP and an estimated working-age population of over 800 million people by 2050. Despite this progress, less than a quarter of women aged 15 and older (20.3%) will be employed by 2020 (compared to 76.0% of men). In India, women account for only 19.9% of the overall labour force (The World Bank, 2022). But in the context of Indian scenario, we need to explore how the decline in women labour force and the increase of female in leadership role or managerial position are affecting the ethical dimension of business.

A quick assessment of the qualitative field reveals a great range and depth of ethical decision-making effects. While this influences later quantitative investigations, there has been no literature review that emphasises qualitative research. Unfortunately, qualitative research has a poor reputation for having little impact, influence or publication. The objectives to conduct qualitative research on the ethical decision-making domain were to begin, the research sought to get the respondents to identify the content domain (i.e., factors) that influence ethical and unethical decision-making (Heyler et al., 2016). Another reason being, the research also wanted respondents to outline the steps they took to put their decisions into action. There are studies that are being conducted in the topic, but this article is aimed to explore that ethical and unethical decision-making factor that varies across gender and also to find out possible consequences of the same.

The lack of research in the field of ethical practices and the qualitative study of ethics on gender is the gap which is found in the previous researches. This study aims to fulfil the gap and produce research on the same.

Review of Literature

Most of the research on building ethical climates in organisations through ethical decision-making has taken place in the last 20 years. Until recently, research has centred on determining what factors influence organisational members' ethical behaviour. Individual or situational variables have been evaluated as determinants in ethical decision behaviour in specific studies, but more complicated models that include the interaction of individual and situational elements have been developed (Gender Differences in Ethical Decision Making | Emerald Insight, 2002).

Although the popular impression is that women are more ethical than men, researchers who have looked at gender effects in the context of ethical decision-making have found mixed results. A number of researches back up the idea that men are more likely than women to engage in unethical behaviour (Beltramini et al., 1984; Betz et al., 1989). Some studies show that women make more ethical decisions than men, whereas others show that both men and women make ethical decisions (Serwinek, 1992). Men and women have the same ethical views and process ethical information, according to Tsalikis and Ortiz-Buonafina (1990). Recent research examining corporate cash holdings policy has provided insights into gender-related characteristics, specifically risk aversion and ethical sensitivities. Evidence suggests that female CFOs mitigate agency problems by reducing excess cash holdings, reflecting more conservative ethical sensitivities compared to their male counterparts. However, this does not necessarily support the notion that female executives are more risk-averse than male executives. Rather, it highlights the complexity of gender influences on corporate decision-making (Doan & Iskandar-Datta, 2020).

Additionally, the role of gender in EDM, particularly the observation that men may be more inclined towards ethical decision-making than women, warrants further investigation. This counterintuitive finding suggests the potential presence of explanatory constructs not captured in current studies, which could be explored in future research (Lim et al., 2023).

Moreover, gender differences in leadership behaviour have been explored, with findings indicating that female leaders tend to engage in more effective and fewer ineffective leadership behaviours than their male counterparts. However, these behavioural differences do not necessarily translate into a significant female advantage in overall leadership effectiveness, as the gender differences in this domain appear to be minimal on average (Shen & Joseph, 2021).

Women are more likely than males to regard specific hypothetical corporate practises as unethical, according to data from over 20,000 respondents in 66 surveys in a study (Franke et al., 1997). According to the 'structural' perspective, disparities between men and women caused by early socialisation and other role requirements (e.g., wife, mother) will be overridden by the benefits and costs of occupational roles. Under similar occupational settings, the structural approach predicts that women will grow more like males (Dawson, 1995).

Economic and legal assessments reveal financial revenues and expenditures, as well as the situation's legality. The basis of philosophic analysis is logical cognitive processes. It implies that a manager should have a single guiding principle of

behaviour or a single statement of opinion that is in and of itself 'right', 'appropriate' and 'just'. A decision maker will be guided by such a principle while deciding what duties he or she owes to others. Managers must be able to execute the three forms of analysis successfully in order to solve ethical challenges (Stedham et al., 2007).

Objectives of the Study

Amalgamating the ideals of integrity into an organisation's daily operations will encourage people to behave ethically, prevent detrimental mistakes while drawing on human impulses for moral thought and action, and increase sustained productivity. But, the absence of it might lead to long-term ill effect and bad mouthing of the organisation. The research objective of the study is to:

- (1) to understand the gender differences in the ethical practices among sales professionals.
- (2) to understand the consequences of ethical decision-making.

Research Method

The study adopts a qualitative research methodology, which is particularly useful when the goal is to explore complex phenomena within their real-life context. Qualitative research enables the researcher to delve deeply into the circumstances and experiences of the participants to understand how they navigate and address a specific problem or issue. This approach is invaluable when existing theories are either partial, inadequate or fail to capture the full complexity of the phenomena being studied, especially in unique or underexplored populations (Creswell & Poth, 2017).

Qualitative research is also selected when the aim is to build theories rather than test existing ones. This inductive approach is crucial in understanding phenomena from the ground up, allowing for the development of theories that are grounded in the data collected from participants rather than imposing pre-existing frameworks onto the data.

Within the qualitative research paradigm, this study employs a multiple case-study approach. A multiple case study approach is beneficial when the focus is on understanding a specific issue or concern within its real-life context. In a multiple case-study design, several cases are studied to provide a more comprehensive understanding of the phenomena. The rationale for using multiple cases is to compare and contrast different perspectives and experiences, thereby offering a richer, more nuanced understanding of the issue which is under investigation (Creswell & Poth, 2017). In this study, multiple case studies are selected from different research material and contexts to illustrate the issue at hand. By examining multiple cases, the research can draw out commonalities and differences across different settings, leading to a more robust and generalisable understanding of the phenomena.

The research instrument was developed through an iterative process. The construction of the instrument began with a thorough review of the literature to identify key themes and variables relevant to the research questions. The initial literature review provided a foundation for the content of the instrument. The research instrument was meticulously constructed following consultations with industry experts. Initial interviews and discussions with these experts helped identify key areas of concern and typical scenarios faced by sales professionals in the industry. These insights were crucial in formulating the scenarios and questions that made up the research instrument.

Table A1 in the Annexure A represents the final copy of the expert validation process. Two rounds of validation were conducted with industry experts, ensuring that the scenarios and questions were both realistic and relevant to the sales environment in India. The final instrument was then tested on a selected sample of individuals with a minimum of four to five years of experience in the sales industry. The majority of these interactions were conducted through telephonic interviews, and all participants provided informed consent, which allowed for the collection and analysis of their responses.

Following the collection of data, the responses were analysed to identify key themes such as Integrity, Leadership, Teamwork, Loyalty, Incentives and Rewards. The analysis focused on understanding how sales professionals navigate complex ethical decisions, manage team dynamics and reconcile personal and organisational goals.

Table A2 provides a detailed breakdown of the research findings, illustrating how different participants approached the scenarios, reflecting their personal values, ethical standards and professional experience. By grounding the research in real-world scenarios and validating the instrument through industry expert feedback, the study ensures both the relevance and rigour of its findings. This approach not only helps to build a robust theoretical framework but also provides actionable insights for professionals in the sales industry.

Results

Leadership

When asked about Leadership, if the participant will make the team members work on a weekend, most of them chose that they will make the people work on Sunday. Three male and two female members mentioned that they would give the employee a comp-off for the next day but would make the team work. Whereas one male and two female members said, they would not make the employees work on a weekend as that is the only day they get to rest and get ready for the next week. In this scenario, there was no difference in gender. The recurring theme in this situation was Reward, as most mentioned that even if the Team leads were the ones who would be getting the incentive, they would take the team out for lunch or dinner. They also mentioned that they could divide the incentives among all the employees in the team. The topic of burnout and loss of motivation was also

brought as the consequence of making the employees work on a weekend, as they might have their plans on Sunday, which can/cannot be transferred to the next day.

Integrity

When asked about Integrity, 'You, as a sales agent, are selling a certificate course package worth ₹600. You call a customer, and he/she mentions that he/she will only pay ₹400 for the course. As you need to complete the target before your stand-up call, what would you do to complete the target? Option 1. You ask the customer to pay you ₹400 and you add ₹200 from your own pocket to reach the target because as you achieve the target, you get ₹1,500 as an incentive along with your base pay', two males and four females did not take up the option of paying from ones' pocket. Two males said that they would take up the offer as it is an obvious choice if 'the company is also benefitting and the salesperson is also benefitting'. In Integrity, all the female participants were more ethical in this dimension as they spoke more from the referrals perspective and how it can affect the company's pricing strategy. There was one female participant who mentioned that they would not trust the customer, which is why they would not pay. The incentive might come later, but what if the customer does not pay? But most people spoke about the company's brand value and how it might affect their overall pricing if that one customer who got it at the lower price referred the other customers for the lower price.

Teamwork

When asked a question about Teamwork, 'the team is lagging by only one sale to hit the target, and one person from the team has an extra lead. One person has one less. What would the team leaders do in such a situation', two males and four females mentioned that they would transfer the leads, as they would not want the whole team to lose out on Incentives or miss out on hitting the target. Incentives were a significant part of the discussion and became a recurring theme in the Teamwork dimension. The ones who said they would not transfer the leads mainly were for the workplace culture. They would not want to breed that kind of culture that believes and promotes spoon feeding and giving success to someone else. They would wish their teammates to be more efficient and hardworking. In the dimension of Teamwork, the women participants tend to be more ethical as they hinted at Teamwork, Incentives and the team's overall motivation.

Loyalty

The last situation was based on Loyalty, and it asked if the participant would sell a course to the customer if the course was not valuable for the consumer would get nothing out of it. In this situation, three males and one female mentioned that they would not pitch the product if it would not be valuable for the consumer. One male

and three females said that they would pitch in the product as it is about the incentive one gets. They also mentioned the discount and EMI options which might be helpful for the customer. Still, they believe in the product that even if 100% of it will not be beneficial, at least 10% of it would be valuable for the customer. In this Loyalty scenario, a difference was found, and the male participants were more on the ethical side. The participants who chose that they would not pitch if in case it is not valuable for the consumer gave in reason of long-term effect of it, on the company. They mentioned that it might impact the word-of-mouth marketing of its product, and there might be fewer referrals in due course of time. This is why it is better not to hit the target rather than give it to a person who does not require it. The people who took the option of pitching it to the client no matter what gave reasons for their livelihood and how the incentives matter, and how they believe in their product.

Other Recurring Themes

Incentives played an essential role in each situation, as most participants changed their answers after the incentive part was added into the situations. There were statements made by both males and females wherein they mentioned that the salary a Salesperson gets is nothing compared to the additional incentives one gets. So, it came down to Incentives in the role of ethical decision-making. The Reward system of taking the team out for lunch or dinner or dividing the incentives among all the team members also can be a theme for organisational functioning. A few participants mentioned that the rewards would be a great source of motivation for the employees, and it would help them work better for the upcoming weeks of targets.

The studies found out that there were no significant differences among genders in terms of ethical decision-making. The consequences were mainly brand image of the company, negative effect on employee productivity and the overall climate of the organisation was being affected if the employees inculcate unethical behaviour.

Discussion

There were no such strict differences found in terms of gender. In terms of Leadership, the Male participants tend to be ethical. In terms of Integrity, the Female participants tend to be more ethical. In the theme of Teamwork, Female participants tend to be ethical. And in terms of Loyalty, the Male participants tend to be more ethical. It should also be noted that various other dimensions like Company brand value, Incentives, Rewards, Marketing and Pricing Strategy came into play in the situations.

Higher level management experience participants in the study made ethically correct decisions in two instances. This study lends some credence to past research findings suggesting that managerial expertise and position within an organisation directly affect the ability to make ethical decisions. When faced with moral issues,

managers with a lengthy tenure often have experience in related situations from which to draw. They may also be more aware of the organisation's ethical environment regarding what constitutes appropriate behaviour. Thus an individual's socialisation in the organisation affects their behaviour when making ethical decisions.

The results also show that when moral intensity is not extremely high, high-need achievers or people who value achievement will typically choose a less moral course of action. Individuals who place a high value on performance selected the less ethical choice when faced with a selection that balanced economic and ethical concerns because they felt that the work environment did not support their ability to work well and improve personally. However, there was no interaction between gender and achievement value for ethical decision behaviour.

The lack of substantial variations in workplace values between men and women lends some value given to past studies that claim that both men and women share similar ethical views and judgments. However, a change seems to develop when people are asked to act on those perceptions and beliefs. Even if the value orientation of the female respondents in this study is very comparable to that of the male respondents, the ethical choice was consistently and logically made. On the other hand, the behaviour of the male responders appeared to be related to the moral gravity of the circumstance.

Comparing the male and female samples' results yielded some fascinating findings. Male respondents' ethical perspectives were remarkably comparable to those of female respondents. This result lends credence to the claims made by Kidwell et al. (1987) and McNichol and Zimmerer (1985) that men and women share similar ethical perceptions and attitudes. The findings also refute the claims made by Beltramini et al. (1984), Jones and Gaultschi (1988) and Ricklefs (1983) that there are differences between men's and women's ethical perceptions and that women are more concerned with ethical issues than men. Additionally, comparing the two groups factor patterns shows that people of various sexes use somewhat similar processes while assessing ethical circumstances. This discovery will also offer some evidence that refutes the claims made by Beltramini et al.

Limitations and Future Research

There is scope in terms of various other themes which could have been dissected in the study. As the questions were mainly based on behavioural event interviews and how an employee would react in accordance to various situations, they had choices, but due to restrictions of time and the scope of research itself, further studies for investigations on the same could not be conducted. There are various factors that lead to the unethical practices of employees which also could not be found out, for that further research can be conducted specially to find out the consequences of the unethical behaviour. The main problem that was faced during the interview is to define ethics, practices and perspectives and different literatures gives different perspectives on their views of ethical and unethical behaviour. So, this article is based mainly on the perspective of the author.

One significant limitation of this study is the lack of comprehensive qualitative research in the existing literature on the specific topic of sales strategies and ethical decision-making within the Indian context. Although this study employs a robust qualitative approach using a multiple case study design, the relative scarcity of prior research on this particular issue poses a challenge. The field lacks a well-established theoretical framework that could have guided the exploration and interpretation of findings more comprehensively. As a result, this study had to rely heavily on expert consultations and context-specific scenarios to develop the research instrument, which, while insightful, may not capture the full spectrum of experiences and ethical dilemmas faced by sales professionals across different industries and cultural contexts. The limited amount of previous research available to compare or contrast findings also restricts the ability to generalise the results or build upon a broader theoretical perspective.

Future researchers can extend this research work by using different research methods. This would provide stronger empirical support for the findings. We also hope that practitioners and organisations will find this research useful to improve ethical decision-making in their organisations.

Conclusion

The study reveals intriguing insights into the relationship between gender, leadership, integrity, teamwork, loyalty and ethical decision-making in the workplace of sales professionals in India. While gender differences in ethical perspectives were not prominent, notable variances were observed in how male and female participants approached ethical decision-making within specific dimensions such as leadership, integrity, teamwork and loyalty. Higher-level management experience was found to positively influence ethical decision-making, suggesting that managerial expertise and organisational socialisation play crucial roles. Furthermore, the study highlights the impact of moral intensity and achievement values on ethical decision behaviour. Despite similarities in ethical perceptions between genders, behavioural differences emerge when individuals are tasked with acting on those perceptions. Overall, the findings challenge previous studies regarding gender disparities in ethical perceptions and underscore the importance of considering situational factors and individual values in ethical decision-making processes.

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Annexure A

Table A I. Final Copy of Expert Validation^a.

Sl. No.	Items/Statements	Accept	Modify	Reject	Comments
1	Situation 1: You are in charge of a Sales Team of s employees in an EdTech firm. By the end of 4 weeks, your team has to produce 16 sales, and there are only 2 days left to complete 16 sales out of which you already have 15 Sales, you just need 1 more Sale to achieve the target and get your ₹6,000 added incentives along with your salary. Out of the 2 days, one is a Sunday, so, you have only 1 working day. What would you do in a situation like this? 1. Make the employee work on a Sunday/ Overtime because if you achieve the target, the employee will also get an incentive? 2. Let it be, the employee gets only one day to rest? 3. Make the employee work on both days and give her/him a leave on the following day if/when target is achieved? 4. Request a couple of the other employees to extend and work on Saturday to support the first employee, and hopefully make the team targets. It is a team after all. Need to chip in				
2	Situation 2: You, as a sales agent, are selling a certificate course package worth ₹600. You call a customer and he/she mentions that he/she will only pay ₹400 for the course. As you need to complete the target before your stand-up call, you ask the customer to pay you ₹400 and you add ₹200 from your own pocket to reach the target, because as you achieve the target, you get ₹1,500 as an incentive along with your base pay. • What is your opinion in this act?				
3	Situation 3: You are the Team Lead of the North region sales division in a CRM company. Your target for the month is 2 leads for the pre-proposal engagement, but you also have the target of closing 24 leads in a month as you have 4 members in your team, which means that employee in your team has to close 6 leads every month. In this month, 2 employees closed on all the leads, 1 member had 7 leads and 1 member had 5 leads. 1. Transfer the excess lead to the one who has a shortage of closing 1 lead, and later divide the incentive on the basis of team performance. 2. Let it be as the employees just started on their career, and they need to learn to achieve success.				
4	Situation 4: Suppose that you are in a Edu-tech company in the Sales division. While in your daily routine task of talking and demonstrating a product of the company to a customer, the customer asks that will the course actually be valuable for their child. As the course is of ₹1,00,000 for a year, will it actually be worthwhile. What would be your answer to this question if you knew that the family does not belong from a well to do place. • No, it may not be as efficient as it seems. You want to be authentic, if that's the case, and ethically empathise with the customer to guide them appropriately. Part of the sales job is to be authentic and sell the true value of a product, and not the product itself • Yes!—You're looking to meet your quota, and you believe in the product. The investment is well worth it, it does not matter the financial stability of the family. You know it will yield results in due course • Yes—Because you have a job to do, and to meet your sales quota. You may/may not know the extent of the programme's capability and relevance and hence should not get into it yourself. Leave to the experts. • Leave it to the parents/customer to decide. You have done your job of articulating the value that you offer. The decision has to be the buyers'/parents				

^aTwo sets of validations were done by Industry Experts in the field of Sales in India.

Table A2. The Research Analysis or the Findings, Link: Research Findings.

Themes:	Integrity Incentives	Leadership Rewards	Team Work
SI No. Situations	Male 1 (M1)	Male 2 (M2)	Male 3 (M3)
1 Suppose that you are in charge of a Sales Team of 6 employees in an EdTech firm. By the end of 4 weeks, your team has to produce 16 sales, and there is only 2 days left to complete 16 sales out of which you already have 15 Sales, you just need 1 more Sale to achieve the target and get your ₹6,000 added incentives along with your salary. Out of the 2 days, one is a Sunday, so, you have only 1 working day. What would you do in a situation like this? Options: 1. Make the employee work on a Sunday/Overtime because if you achieve the target, the employee will also get an incentive? 2. Let it be, the employee gets only one day to rest? 3. Make the employee work on both days and give her/him a leave on the following day if/when target is achieved? 4. Request a couple of the other employees to extend and work on Saturday to support the first employee, and hopefully make the team targets. It is a team after all. Need to chip in	The participant mentioned in his answer that he is going to go with the first option. He mentioned that he is going to make the employees work on a Sunday, depending on the criticality of the situation. He mentioned that it might also lead to a burn-out situation but depending on the situation he would make the employees work on a Sunday, give the next day off and also will give the employees a treat (motivation) as he as a team lead will get the incentive.	The participant chose the third option wherein he mentioned that he will request the other members to also chip in. Then for the incentive bit, he mentioned that he will take them out with the incentive money he received as hitting the target. Mostly like a treat.	The participant chose the third option. He mentioned that he expects his employees to work on a weekend if the target is not achieved. He mentioned that they need to prioritise the target rather than their personal plans on the weekend.
2 You, as a sales agent, are selling a certificate course package worth ₹600. You call a customer and he/she mentions that he/she will only pay ₹400 for the course. As you need to complete the target before your stand-up call, what would you do to complete the target? Option 1. you ask the customer to pay you ₹400 and you add ₹200 from your own pocket to reach the target, because as you achieve the target, you get ₹1,500 as an incentive along with your base pay.	The participant did not go with the option given. He spoke about price flexibility, and mentioned that if the management agrees, then he can discount the course. He personally goes by very strict pricing strategy, so he mentioned that he would not go by any discounts as far as possible but again would depend on the management for the answer.	The participant did not take up the option as he mentioned that it might hamper the company's reputation and referrals which the company might get. He also mentioned that he will try to discount the course if possible.	The participant chose the option. He mentioned that it is an obvious choice, if it is benefitting the customer and if it also benefitting him

Loyalty

Male 4 (M4)	Female 1 (F1)	Female 2 (F2)	Female 3 (F3)	Female 4 (F4)
The participant went with the second option as he mentioned that there is no guarantee in sales, he will rather wait for the month end and check the status of the team, rather than making them work on a weekend.	The participant chose the second option as she mentioned that she will not make them work on a Sunday and it is upto them if they actually would want to work or not.	The participant chose the first option. She also mentioned that she would take the team out on the basis of the difficulty of leads, if the leads were easy but she feels that the team was slacking then she would keep the incentive to herself.	The participant chose the second option wherein she mentioned that she would not make the work on a Sunday as they also have personal lives. She mentioned that she would try to motivate the employees with the incentive, but if the employees do not agree, she will encourage them to rather take the weekend off than the money.	She mentioned that in sales there is no Sunday or weekend per se, everybody needs to pitch in according to the customer's availability. So, she will ask her team members to work on a Sunday too.
He took the option as he mentioned that it would benefit him. He mentioned that for him it is because of the relaxation he feel after cracking the last sale, rather than just The incentive.	The participant did not take the option and rather spoke about discounting the price of the course.	She would not take the option as she mentioned that she would not trust the customer, if the customer actually does not have money or if he is fooling around. She is mostly scared if the payment of her bonus does not come through and she will be in loss anyway.	She mentioned that she will not take the option as she would depend on the reference. If the customer can bring her another referral, she will not discount the product for them.	She mentioned that she will not take the option as it will hamper the organisation's credibility. She also mentioned that the customer also might send referrals for the lower price, which might affect the organisation's growth.

(Table A2 continued)

(Table A2 continued)

Themes:		Integrity Incentives	Leadership Rewards	Team Work
Sl No.	Situations	Male 1 (M1)	Male 2 (M2)	Male 3 (M3)
3	Situation 3: You are the Team Lead of the North region sales division in a CRM company. Your target for the month is 2 leads for the pre- proposal engagement, but you also have the target of closing 24 leads in a month as you have 4 members in your team, which means that employee in your team has to close 6 leads every month. In this month, 2 employees closed on all the leads, 1 member had 7 leads and 1 member had 5 leads. Options 1. Transfer the excess lead to the one who has a shortage of closing 1 lead, and later divide the incentive on the basis of team performance. 2. Let it be as the employees just started on their career, and they need to learn to achieve success.	The participant chose the second option in this situation. He mentioned that it might later on hamper the company culture to breed people who would depend on other. He wants to stop from a pattern being formed.	The participant chose the first option. He mentioned that it is the team effort and we should not lose out on a whole incentive only because of one person.	The participant chose the second option as he mentioned that the other members of the team worked really hard for the deals, and he would not want to transfer it and spoon feed the person. He does not want a culture like that in the company.
4	Suppose that you are in a Edu-tech company in the sales division. While in your daily routine task of talking and demonstrating a product of the company to a customer, the customer asks that will the course actually be valuable for their child. As the course is of ₹100,000 for a year, will it actually be worthwhile. What would be your answer to this question if you knew that the family does not belong from a well to do place. Options 1. No, it may not be as efficient as it seems. You want to be authentic, if that's the case, and ethically empathise with the customer to guide them appropriately. Part of the sales job is to be authentic and sell the true value of a product, and not the product itself. 2. Yes!—You're looking to meet your quota, and you believe in the product. The investment is well worth it, it does not matter the financial stability of the family. You know it will yield results in due course 3. Yes—Because you have a job to do, and to meet your sales quota. You may/may not know the extent of the programme's capability and relevance and hence should not get into it yourself. Leave to the experts. 4. Leave it to the parents/ customer to decide. You have done your job of articulating the value that you offer. The decision has to be the buyers'/parents	The participant chose the first option, where he chooses a more ethical way. He emphasis on brand value and referrals. He also mentioned about word- of- mouth marketing and how it may hamper the company in the long run.	He mentioned that it is a competition between his ethics and his job. He also chose the fourth option wherein he will be transparent with the customer and let the customer decide if the course will be valuable or not.	The participant chose the second option. He has a target to meet and he believes in the product

Loyalty

Male 4 (M4)	Female 1 (F1)	Female 2 (F2)	Female 3 (F3)	Female 4 (F4)
He mentioned that sales are all about incentives. He chose the first option of transferring the leads from one person to another as he does not want anyone from his team to miss out on the incentives.	The participant chose the first option but also mentioned that she will request her team to transfer the leads and not force anyone. She mentioned that one should not let go of an incentive because of only 1 lead.	The participant chose the first option without even listening to other options. She mentioned that as a team they will miss out of the incentive because of that one sale, she would rather ask/force the person to share the sale.	The participant chose the first option of transferring the leads. She mentioned that some months of sale may be good and some might be bad, and for this month she Will transfer the lead and next month she can do that same system again.	She mentioned that she will go ahead and transfer the leads but also notice the pattern in the employees, as one or two times, it is fine, but more than that breeds laziness and unproductivity in the organisation.
The participant chose the first option. He mentioned that he would focus more on the EMIs and installment, discounts which the company may provide, but if it is not helpful for the customer, then he would not pitch in the product and let go of his sales quota.	The participant chose the second option as she mentioned that it will yield at least 10% of benefit to the child. She also has her target to be met, so she will be pitching in the product to the customer.	The participant chose the third option as she just focuses on the sale and the incentive which she will be getting after she achieves the target.	The participant chose the first option as it does not seem efficient for the customer. She would not try and waste that child's future on the products.	The participant chose the second option. She mentioned that she would believe in the product, which is why she would pitch it to the customers no matter what.

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Green Human Resource Management in South Asia: Through the Lens of Bibliometric Analysis, Theories and Operational Functions

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Abstract

This study explores core principles and emerging trends in green human resource management (GHRM), with a focus on the South Asian context. Using the PRISMA framework, a review of 69 publications from 2001 to 2023 was conducted to examine the intersection of environmental management and human resource practices. The review reveals a growing interest in GHRM since 2015 but highlights a significant gap in addressing sociocultural nuances specific to South Asia. The analysis covers various GHRM operational functions, including green recruitment, procurement, maintenance and development, and it provides a comprehensive overview of key research areas and theoretical frameworks. Despite increased research activity, a lack of focus on sociocultural issues such as gender, diversity and industrial relations in South Asia is evident. Findings suggest a need for further research to address these gaps and to understand institutional challenges in implementing GHRM practices. An integrated approach and collaboration with external stakeholders are recommended to advance GHRM in emerging economies.

Keywords

Green human resource management, bibliometric analysis, South Asia, environmental management practices

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Introduction

South Asia faces severe environmental degradation due to rapid urbanisation, industrialisation and population growth, making it highly vulnerable to climate change, with countries like Bangladesh and India experiencing extreme weather events that disproportionately affect poorer populations (Kar et al., 2021). These challenges, combined with issues such as food security, water management and biodiversity loss, are distinct from those in regions like Europe and North America, where more effective mitigation strategies exist (Kar et al., 2021). The role of cultural values and institutional weaknesses, including corruption and poor enforcement of environmental regulations, further complicates sustainability efforts in South Asia, which contrasts with regions that have stronger governance (Hassan, 2015). The COVID-19 pandemic has exacerbated the trade-offs between economic recovery and sustainability, with South Asian countries often prioritising short-term growth over environmental considerations (Jain et al., 2023). Furthermore, the region's large informal economy, employing around 85% of workers in India, requires sustainability strategies that incorporate informal sectors like agriculture and construction, unlike in Europe where formal employment dominates (Sharma & Kumar, 2019). Despite the increasing global pressure to integrate environmental, social and governance (ESG) criteria, and India's evolving Corporate Social Responsibility (CSR) mandate, challenges remain in the transparency and accountability of sustainability initiatives in South Asia (Gazi et al., 2024). These challenges have increasingly received global attention, as evidenced by the growing body of research on sustainable practices. Figure 1 illustrates the growth of green human resource management (GHRM) research from 2001 to February 2023, as determined by the number of articles on SCOPUS with GHRM as the subject matter.

In light of the pressing environmental degradation driven by rapid urbanisation, industrialisation and population growth, there is an increasing recognition of the importance of environmental sustainability in South Asia. National governments are setting more ambitious environmental targets, and civil society engagement with environmental issues is rising. Consequently, organisations are integrating environmental management into their business models, acknowledging that GHRM is essential for implementing effective green strategies. This growing awareness is further evidenced by the increasing number of studies published in South Asian countries, highlighting the region's shift towards sustainability practices.

Despite this burgeoning body of research, there is a notable absence of comprehensive reviews focusing specifically on South Asia to evaluate the current state of GHRM research within the region. This gap stresses the necessity for a systematic review that synthesises existing literature and identifies key trends and areas for future exploration. While the integration of GHRM into business models reflects a broader commitment to sustainability, significant gaps remain in understanding how GHRM is theorised, measured and implemented in the South Asian context. The global surge in GHRM research over the past two decades highlights the field's expansion; however, the specific sociocultural and institutional factors influencing GHRM practices in South Asia remain underexplored. This review aims to address these gaps by providing a detailed examination of the theoretical

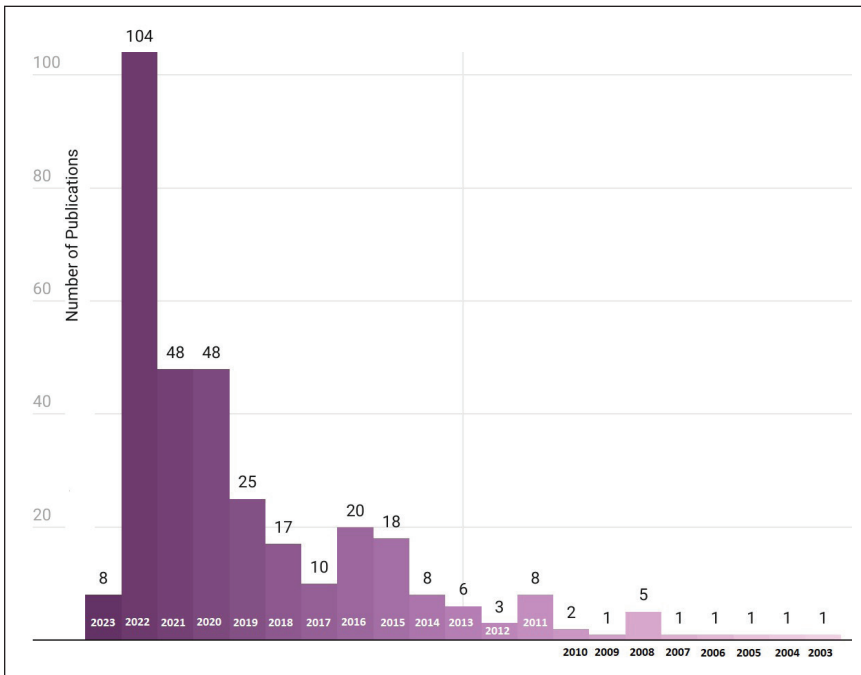


Figure 1. Number of Articles Published Annually from 2001 to 2023 as Ascertained from the SCOPUS Databases.

frameworks and operational functions that are relevant to GHRM. The insights gained will offer a more nuanced understanding of effective GHRM practices in South Asia, considering the region’s unique cultural, economic and political landscape. The primary objective of this review is to conduct a thorough classification of the existing literature on GHRM, taking into account both its theoretical foundations and practical applications.

This article is organised into five sections. The second section provides an overview of the methodology employed in this study. The third section outlines the findings from the collected research, focusing specifically on the South Asian context. The fourth and fifth sections examine how various GHRM functions and theories have been explored in the literature, identifying and analysing the theoretical frameworks used by researchers to study GHRM in the region. The final section offers a discussion on the current state of GHRM as reflected in the literature, along with potential directions for future research in the field

Methodology

The PRISMA methodology, a systematic and rigorous approach used to conduct literature reviews and synthesise evidence in research articles, has been employed in this review. The methodology involves a comprehensive search strategy to

identify relevant studies, followed by screening and selection of studies based on predetermined criteria. The data from the selected studies are then extracted and synthesised, and the quality of the studies is assessed to ensure validity and reliability.

The decision to use SCOPUS as the primary database was made to ensure consistency and methodological coherence. While other databases like Web of Science and Google Scholar offer equally valuable resources, SCOPUS is recognised for its rigorous peer-review standards and global academic credibility (Schotten et al., 2017). Its interdisciplinary coverage facilitates access to high-impact, up-to-date research (Falagas et al., 2008). Relying on a single resource ensures uniformity in quality, citation metrics and indexing standards, minimising any discrepancies that may arise from differing database criteria (Mongeon & Paul-Hus, 2016). This approach enhances the reliability and comparability of the sources used throughout the research. 331 articles from 2001 to 2023 were collected from the SCOPUS using the following keyword strings:

- TITLE-ABS-KEY ('Green' OR 'Sustainable' OR 'Circular economy') AND ('Human') AND ('Resource') AND ('Management').
- TITLE-ABS-KEY ('Green' OR 'Sustainable' OR 'Circular economy') AND ('HRM')
- TITLE-ABS-KEY ('Green') AND ('HRM').

Figure 2 indicates, in line with the PRISMA framework, the process of inclusion and exclusion of the studies from the collection of articles as returned using the aforementioned search strings.

After gathering the research articles, the biblioshiny plugin of the bibliometrix application was utilised to extract comprehensive data regarding various bibliometric parameters. The application provided a detailed analysis of the collected research, and the results are presented in Figure 3 that showcases the basic statistics of the data.

Research in South Asia: Bibliometrics

Out of the 331 collected documents, 69 were found to be research articles in the context of South Asia. Most of these articles are from India (36 documents), followed by Pakistan (26 documents) and Bangladesh (6 documents). The analysis, as illustrated in Figure 4, indicates that the majority of these research articles are empirical, relying on questionnaires to examine one or more sectors. The sectors that have been studied the most include hotel/tourism (Ahmed et al., 2021; Cabral & Jabbour, 2019), manufacturing (Hameed et al., 2020; Mishra, 2017) and automobile (Chaudhary, 2019b, 2020). Furthermore, several reviews have been published by researchers from the subcontinent, including Bahuguna et al. (2023) and Farrukh et al. (2022), but these reviewers have placed particular emphasis on India.

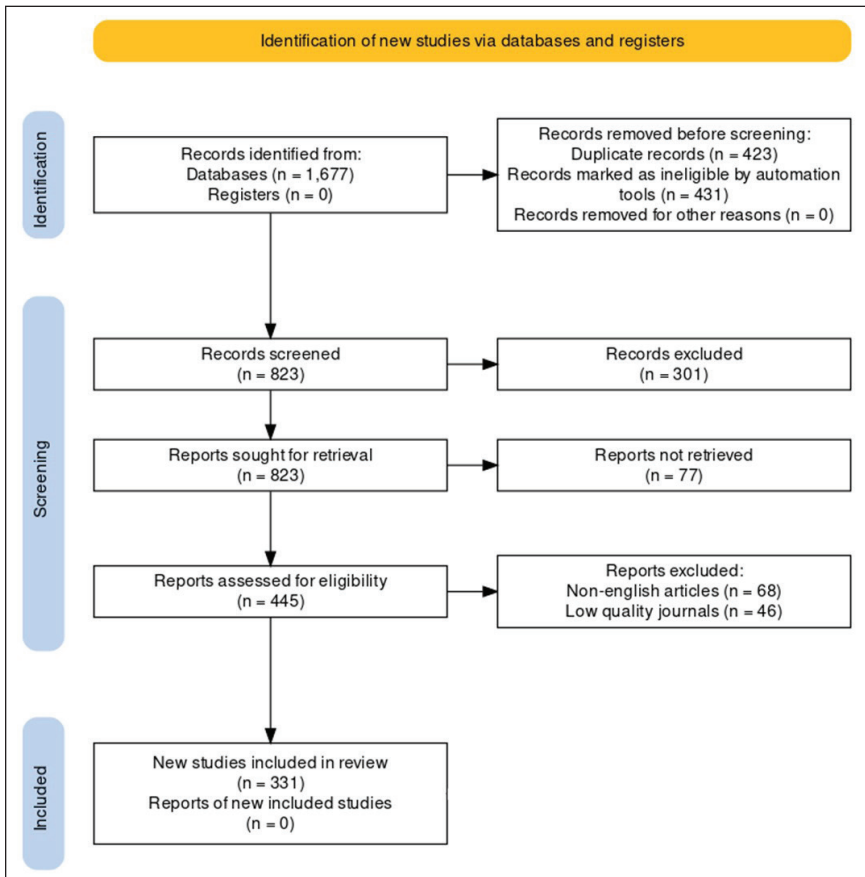


Figure 2. The Figure Represents How the Collected Articles Were Selected for This Article.

In the South Asian context, GHRM and CSR hold substantial significance, particularly in emerging economies such as Pakistan (Wen et al., 2022). An instance of this is research conducted by Abbas et al. (2022) that studied the moderating impact of gender, fundamentally showing that the GHRM policies encourage green behaviour and sustainability among employees in a developing country like Pakistan. The religio-ethical perspective has been explored by Islam, M. S. et al. (2022), wherein the effect of religious teaching on sustainable organisational practices is explored.

The findings indicate that the majority of researchers utilised questionnaires in their studies, while a subset also incorporated interviews. As shown in Figure 5, the bulk of the published research employs partial least squares structural equation modelling (PLS-SEM) as a tool for analysis, while exploratory and confirmatory factor analysis are used with SEM most notably in cases where they have been employed for instrument validation.



Figure 3. Basic Parameters of the Collected Research for This Study.

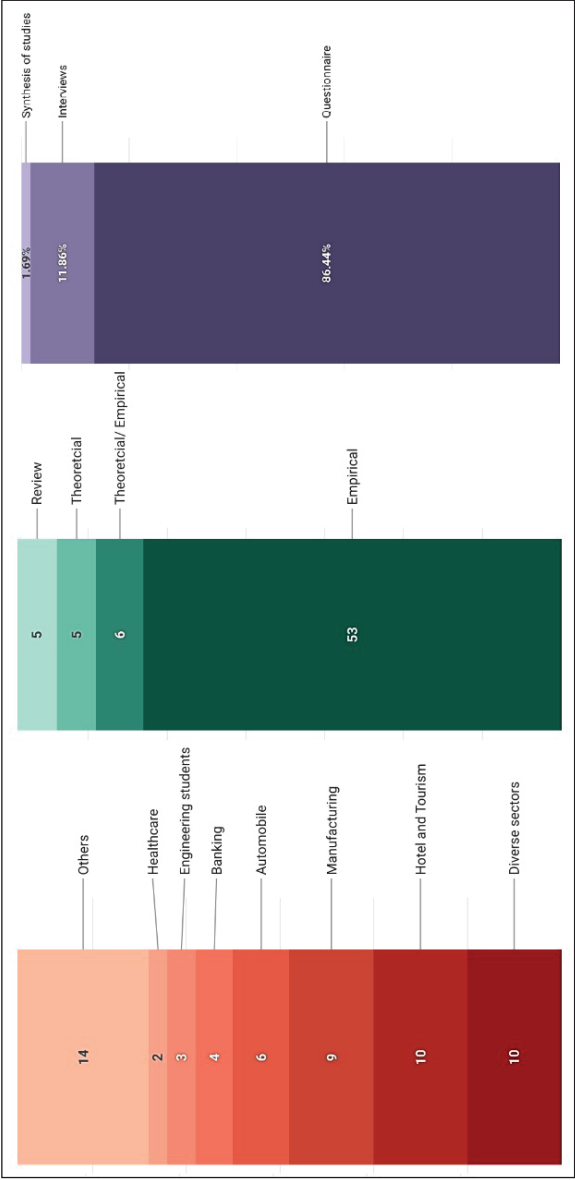


Figure 4. Characteristics of Collected Research on South Asia.

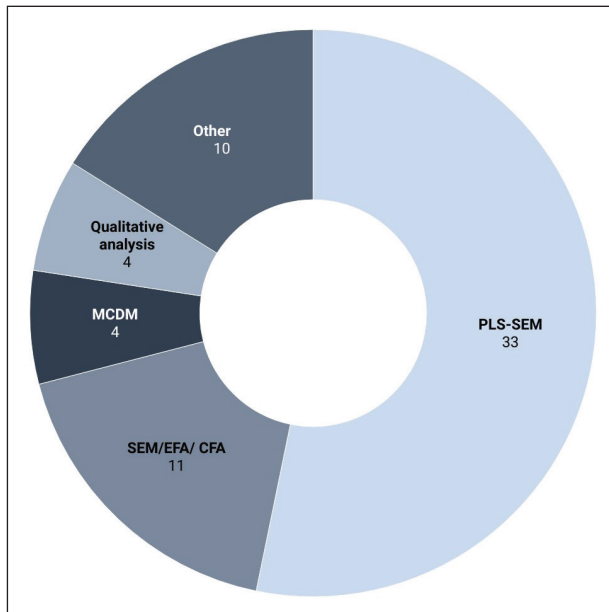


Figure 5. Statistical and Analytical Tools Employed in the Research.

A variety of measurement scales and instruments have been validated in the South Asian context. Specifically, validation has been conducted for the GHRM measurement scale (Shah, 2019), the internal green marketing scale (Qureshi & Mehraj, 2022), the instrument assessing Generation Y's perception of GHRM (Jain & D'lima, 2018) and the validation of the green organisational culture instrument (Aggarwal & Agarwala, 2021). Several articles have explored strategic decision-making in the context of organisational greening using various multi-criteria decision analysis (MCDM/A) methods, including fuzzy analytic network process (ANP) for greening the organisations (Malviya et al., 2018), decision-making trial and evaluation laboratory (DEMATEL) for environmental auditing in organisations (Gedam et al., 2021), and strategising human behaviour factors (Gedam et al., 2023) and Fuzzy analytic hierarchy process for determining environmental awareness in companies (Khatoon et al., 2022).

Figure 6 presents a list of the most significant articles published in South Asia based on their citation count until February 2023. The most cited article is by Saeed et al. (2019) with 231 citations, which examines the impact of GHRM practices on the pro-environmental behaviour of employees across various sectors in Pakistan. The study investigates the relationship between green recruitment and selection, green training (GT) and development, green performance management (GPM) and appraisal, green reward and compensation and green empowerment and pro-environmental behaviour. R. Chaudhary stands out as the most prominent author from India, with five published articles and the highest-cited work in the field (Chaudhary, 2020). Meanwhile, T. Islam is the most published author

Most cited articles and their journal names

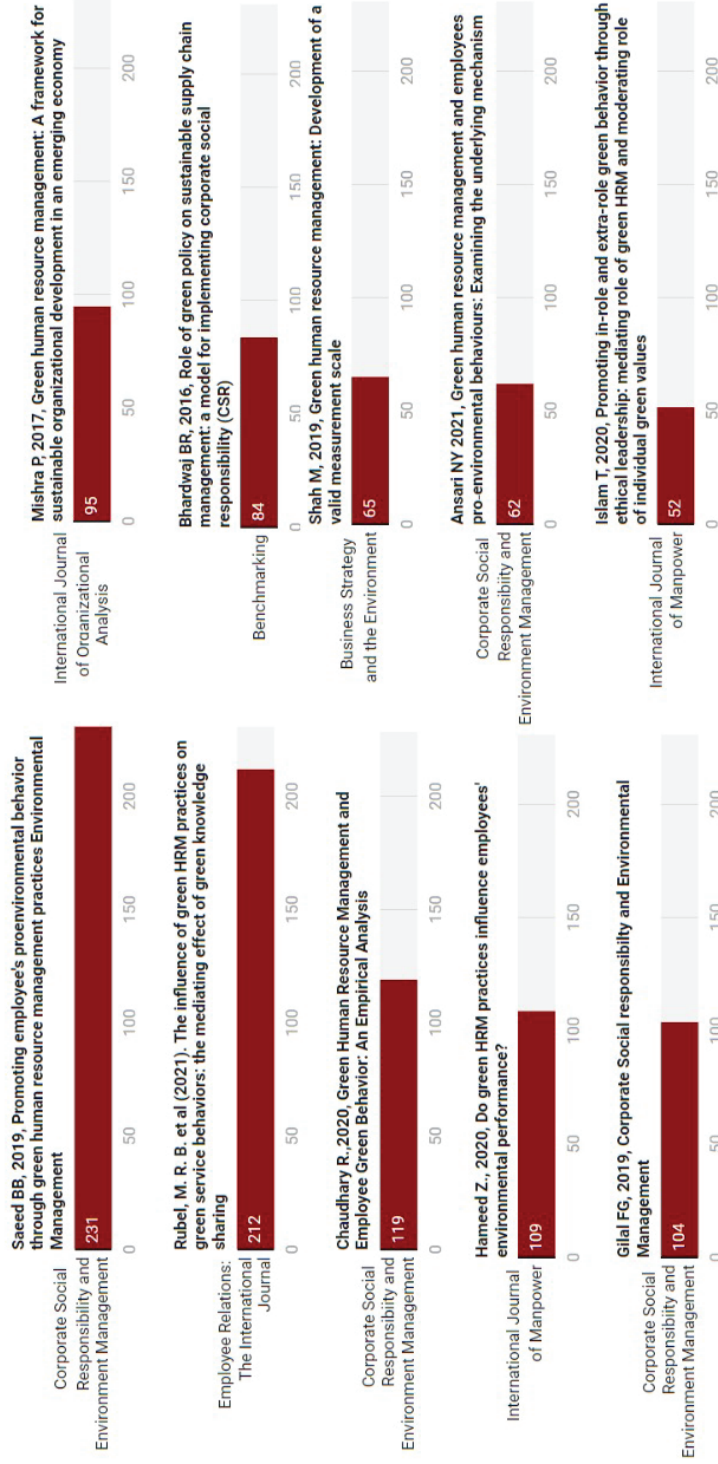


Figure 6. Most Cited Research Articles and Their Corresponding Journals of Publication.

from Pakistan, with four articles. Finally, the most significant publication from Bangladesh is by Rubel et al. (2021), which has been cited 212 times and provides insights into the context-specific challenges and opportunities for sustainable development in Bangladesh.

A comprehensive analysis of research conducted in South Asia reveals that it can be classified into three key dimensions: personal, organisational and theoretical aspects of GHRM. Figure 7 illustrates the frequency of the number of studies conducted in alignment with these dimensions, providing a clear overview of research distribution across the three categories. The personal dimension comprises studies that focus on GHRM practices, with notable contributions from several significant researchers like Saeed et al. (2019) and Hameed et al. (2020). Green leadership and green environmental behaviour have also been studied with great frequency, and notable studies that exemplify these parameters include studies by Ahmad and Umrani (2019), Islam, Hussain et al. (2021) and Ahmad et al. (2022). Furthermore, within the personal dimension, GHRM practices have been the primary focus, with notable studies conducted by Umrani et al. (2022) and Nisar et al. (2022). The emphasis on employee performance (EP) highlights the critical role that organisations play in promoting sustainable practices and reducing their carbon footprint. On the theoretical front, it is evident that the Supply-Value Fit theory has been studied the most. However, several other theoretical frameworks have been explored, contributing towards a better understanding of GHRM.

In addition to these, many other theoretical frameworks can be gleaned from the collected research, a detailed description of which is presented in the fifth section.

Operational Functions of GHRM: South Asia

In the likeness of HRM, all the major operational functions of GHRM have been researched in the South Asian context; this section provides an overview of this work. GHRM encompasses several subheadings, as shown in Figure 8, including procurement, development, compensation, integration, organisational culture and maintenance. Procurement involves green job design and recruitment. Development covers GT, green human capital (GHC) and other related aspects. Compensation is managed through GPM and pay/reward systems. Integration includes green discipline management, work-life balance and other related dimensions. Maintenance is addressed through employee empowerment, health and safety management and more. Finally, organisational culture includes green culture, competitive advantage and leadership, all of which are important aspects of GHRM research.

Green Procurement

Green procurement refers to the process of integrating environmental considerations into the purchasing decisions of an organisation. This involves not only the



Figure 7. Various Aspects of GHM Discussed in the Literature and Their Frequencies. These Aspects are Categorised as Personal, Organisational and Theoretical.

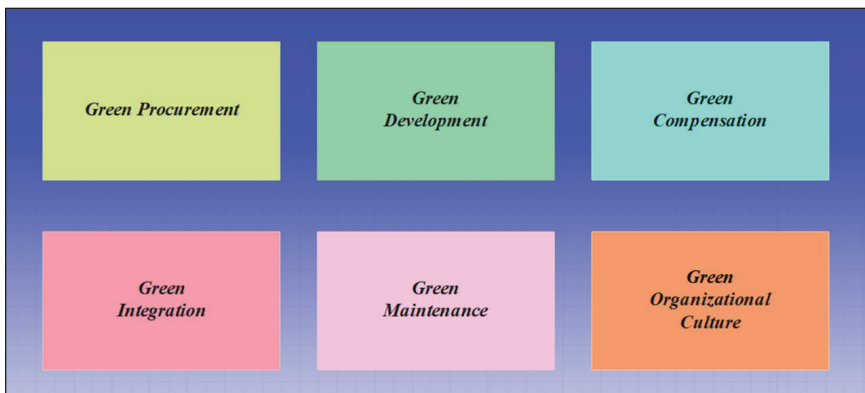


Figure 8. Operational Functions of GHRM.

procurement of environmentally friendly products but also the adoption of green job design and green recruitment strategies. Through green job design, organisations reshape job responsibilities to integrate tasks focused on environmental protection. A case study conducted by Bishnoi and Rai (2022) in India on the skill council for green jobs (SCGJ) in 47 enterprises concludes that 62% of the workforce in India being young presents a great opportunity for equipping them with green skills. The study also suggests that job design in the public sector may not be limited to formal arrangements but, more importantly, must include informal ones. Another policy article posits that green job design in India necessitates a collaborative approach involving governments, unions, employers, not-for-profit organisations and local institutions (Varghese et al., 2018). Working in Pakistan, Shah (2019) concluded that using green job design strategies, companies aim to include environmental protection responsibilities in the jobs. Green recruitment, on the other hand, involves hiring individuals who possess the knowledge, skills and behaviour related to environment management systems. Jain and D’lima (2018) explore green hiring while drawing up an instrument linking green organisational perception to hiring. R. Chaudhry has explored the topic of job pursuit intention among engineering students within the context of green job design (Chaudhary, 2018, 2019b). The researcher found a correlation between organisational prestige and job pursuit intention, and they highlighted that younger generations view sustainability as a core value and a significant factor in their career decision-making process.

Green Development

Green development refers to the process of creating sustainable business practices that protect the environment and promote social responsibility. It is becoming increasingly important for companies to adopt a green development strategy to ensure long-term success and to stay competitive in the market. Two important aspects of green development are green training and development and GHC.

Saeed et al. (2019) defined green training and development as ‘a system of activities that motivate employees to learn environment protection skills and pay attention to environmental issues, which is a key in accomplishing environmental objectives’. Drawing upon the Ability, Motivation and Opportunity (AMO) theory and Social Exchange theory, Amrutha and Geetha (2021) conclude that the most effective strategy for raising employee awareness about environmental issues and encouraging environmentally friendly actions in the Indian context involves targeted communication and engagement initiatives. Deshpande and Srivastava (2022) link GT not only to the greening of employees’ work-life but also to their personal lives. Other studies in the South Asian context have pointed to different consequences of GT, including employee growth with gender as a parameter (Abbas et al., 2022), improvement of the perception of CSR (Srivastava & Shree, 2018) and improved environmental commitment of employees (Cabral & Jabbour, 2019).

GHC refers to the knowledge, skills and abilities that individuals possess related to environmentally sustainable practices and principles. In the likeness of human capital theory (HCT), green intellectual capital (GIC) is seen as most significant aspect of GHC in contemporary organisations for gaining competitive advantage (Astuti & Datrini, 2021). In a study on the hospitality sector in Pakistan, Munawar et al. (2022) concluded that innovative approaches could help hotels enhance their EP. Furthermore, GHC has been discovered to serve as a mediator between GHRM and environmental knowledge, leading to a positive feedback effect. Working within the ethico-religious sphere, Ali et al. (2022) assess the causality between GHC, green structural capital (GSC) and green relational capital (GRC) on GHRM. Additionally, these indicators are posited to construct employee social identity. Ghosh and Haque (2022), explore how employee green behaviour is contingent on GHC. They have further classified GIC along GHC, GSC and GRC. Given the Indian context of the study, authors identify a need to add a spiritual dimension to GIC, which is termed as green spiritual capital (GrSC). Working in the manufacturing sector in Pakistan, Mansoor et al. (2021) have also sought to link GHC with EP. Another study in Pakistan in the banking sector links GIC with green social identity (Ali et al., 2022).

Green Compensation

Green compensation is a system of financial and non-financial rewards aimed at attracting, retaining and motivating employees to contribute towards the environmental goals of the organisation and includes green pay and reward and GPM.

Green Pay and Reward

Jamal et al. (2021) defined green pay and reward as ‘a system of financial and non-financial rewards that is aimed to achieve the goal of attracting, retaining and finally motivating employees who are best suited for contributing towards green goals of the organization’. In her study on the automobile sector in India, Chaudhary (2019a) states that compensation acts as a means to acknowledge

employees' efforts and motivate them to enhance their EP. This compensation may come in the form of cash rewards, bonuses and loan facilities, and can be made available for the purpose of buying environmentally friendly transportation. In their review, Sri Lankan researchers Arulrajah et al. (2015), suggest that this compensation does not necessarily have to be financial but that non-financial compensation plays an equally important role in GHRM. These include awards, prizes, green travel benefits and green travel benefits and recognition. In, their research focused on public enterprises in India, Mishra et al. (2014) reveal that the organisations surveyed are receptive to implementing informal policies such as incentivising employees who use bicycles or carpool for commuting, acknowledging employees for eco-friendly innovations by awarding them 'go green' badges, and employing other similar tactics.

Green Performance Management

Ansari et al. (2021) defined GPM as 'a system of evaluating activities of employees' performance in the process of environmental management'. Focusing on the automobile sector in India (Chaudhary, 2019b), describes that the aim of GPM is to motivate the employees to work towards achieving the organisations sustainability goals by aligning the organisations environment goals with the employees daily tasks. The article concludes that GPM significantly affects both task related and voluntary green behaviours among the employees. In a study on a manufacturing facility in Pakistan, Ansari et al. (2021), indicate that green commitment mediates the relationship between GHRM and personnel environmental behaviours.

Green Integration

Green integration is a concept that incorporates environmentally friendly practices into the workplace. Conceptually, this has been addressed under two sub-headings: Green Discipline Management (GDM) and Green Work-Life Balance (GWLb). Working in the South Asian context, Hosain and Rahman (2016) argue that discipline management may be used as means by the organisations to ensure that employees are working towards meeting the green objectives of the organisations. In their study on private firms in India, Arora and Kaul (2020) detail several disciplinary measures that are implemented for employees. These measures include the creation of guidelines for environmentally responsible behaviour, establishment of consequences for failing to meet environmental targets, implementation of a progressive disciplinary system and enforcement of penalties for violations of environmental regulations. Subramanian and Suresh (2022), reporting on the Indian SME's, assert that green separation has a strong influence on GDM. However, a study by Singh and Nath (2020), indicates that practicing GDM may have negative effect on the job commitment and satisfaction of the employees.

Green Work-life Balance

Organisations are increasingly recognising the importance of work-life balance and are implementing innovative ways to help employees achieve equilibrium

between their work and personal lives. However, green HRM policies are predominantly considerate of the work domain of employees while eschewing the personal domains of workers (Singh & Bhatnagar, 2015). A number of studies in South Asia have studied GWLB. Deshpande and Srivastava (2022), link GT to the emotional intelligence of employees. The study concludes that sustainable organisational performance may be achieved with appropriate training and GWLB. Similarly, Manoj et al. (2022) have found a positive relationship between Green Human Resource Practices (GHRMP) and GWLB in the automobile sector in India. Elsewhere, Bangwal et al. (2017) found GWLB has a mediating effect between GHRM practices and EP in the private sector in India. However, Datta (2015), researching the corporate sector in India, maintains that implementing GWLB initiatives can be challenging as employees may feel that their personal space is being invaded.

Green Maintenance

Green maintenance is an important aspect of achieving sustainability in organisations. It involves the continuous monitoring, improvement and maintenance of green practices to ensure that they are effectively integrated into the organisation's operations (Siyambalapitiya et al., 2018). In the South Asian context, GM has been studied in relation to organisational citizenship behaviour towards the environment (OCBE), wherein the authors conclude that empowering employees to make decisions and take ownership of GHRMPs increases their commitment to maintaining them (Hameed et al., 2020). Similarly, Khatoon et al. (2021), studying how green employee empowerment (GEE) directly affects organisational employee commitment towards the environment (OECE) conclude that in the Indian context, GEE does not have any positive impacts on GHRM activities. Ahmed et al. (2021) suggest that not only do GHRM activities significantly affect the EP of the organisation but they also affect its proactive environmental management maturity. Researching the manufacturing sector in Bangladesh, Ashraful et al. (2021) found that GEE acts as a mediator between GHRM practices in an organisation and its EP. Green empowerment has also been addressed alternatively as employee branding (Bose & Gupta, 2017) and employee engagement (Mishra et al., 2014).

Green Organisational Culture

Boiral (2009) defines organisation culture as 'comprising the underlying norms, values, and assumptions that define the right way to behave in an organization'. For any pro-environment approach undertaken by the organisations to be successful, its organisation culture and human resources play the most important role. The concept of green organisational culture has been extensively discussed in South Asia, where it is predominantly associated with EP. Numerous studies have investigated the relationship between green organisational culture and various industries, including hospitality and tourism (Ahmed et al., 2021; Umrani et al., 2022),

manufacturing (Rizvi & Garg, 2022) and public sector industries (Aggarwal & Agarwala, 2022). Elsewhere, Kumar et al. (2021), interpret green culture in terms of organisational support and infer that it significantly effects the decision-making and job satisfaction among the employees. Green culture under the rubric of AMO theory has also been linked to transformational leadership (Rizvi & Garg, 2021).

Understanding GHRM Through Various Theories

Different theories related to GHRM have been put forward. Upon evaluating the gathered research articles, the following set of theoretical frameworks that have been employed in the South Asian context were identified:

- AMO theory
- Stakeholder theory
- Contingency theory
- Dynamic capabilities theory
- Human capability theory
- Human capital theory
- Organisational citizenship behaviours theory
- Resource-based view theory (RBV)
- Supply-values fit theory (SVFT)
- Social identity theory (SIT)
- Social exchange theory (SET)
- Theory of planned behaviour (TPB)

The AMO theory proposes that an organisation's performance is based on the ability, motivation and opportunities of employees, which are influenced by HRM practices (Singh et al., 2020). To enhance EP, organisations must attract high-performing candidates, provide effective performance management and rewards and offer opportunities for proactive problem-solving (Cheema & Javed, 2017). Researching the hotel sector in Pakistan, Iftikar et al. (2022) concluded that each element in the AMO framework contributes to pro-environmental behaviour. Similarly, Shoaib et al. (2021) extend AMO into explaining green behaviour among diary workers in Pakistan. Rizvi and Garg (2021) used green AMO with RBV theory in the oil and gas sector in India, concluding that the implementation of strategies that enhance employees' green AMO can encourage them to contribute to performance and provide them with opportunities to engage in environmentally friendly behaviour. Other contexts where AMO has been employed include studying pro-environmental behaviour in educational institutions (Akhtar et al., 2022), CSR in the textile sector (Cheema & Javed, 2017) and Indian public enterprises (Mishra et al., 2014).

Contingency theory suggests that a 'one-size-fits-all' approach to organising a company's strategy, including GHRM, does not exist. Lawrence and Lorsch (1967), proposed that the environment, including internal and external dimensions, is

critical in shaping an organisation's strategy, and that a single organisational model cannot yield optimal results. The application of contingency theory in South Asia is also evident in the collected research. Acknowledging contingency theory, Mehmood and Hanaysha (2022) study CSR and green innovation where multiple propositions have been tested such as setting firm transparency, public visibility and GIC as contingency variables., Elsewhere, Chatterjee and Chaudhuri (2022), working within the purview of contingency theory, have studied organisational sustainability in light of government regulations. Similarly, a study conducted at Comstat University Pakistan by Rafiq et al. (2016) interprets contingency theory through the lens of the best-fit approach, demonstrating its fundamental importance in an ethico-religious context.

Dynamic capabilities theory emphasises the importance of resource combinations in common business processes (Eisenhardt & Martin, 2000), which can lead to a competitive advantage by enabling new thinking techniques and combining data, technologies and expertise. In a study surveying 211 handicraft managers in India, Joshi and Dhar (2020) assert that the dynamic capabilities are shaped by a firm's unique managerial traits, routines and culture; they are difficult for competitors to imitate. Hypothesising green dynamic capabilities as a mediator between GT and green creativity, they conclude that 'dynamic capabilities are cultural, and their impacts can essentially be examined indirectly in employee's performance'. Implying the efficacy of green dynamic capabilities in anticipating environmental uncertainty, Bresciani et al. (2023) have studied manufacturing firms in Pakistan.

HCT proposes that the knowledge, skills and abilities (KSA) of employees can create value and be a core asset of firms, leading to sustainable competitive advantage (Subramaniam & Youndt, 2005). Unique to each firm, human capital creates valuable resources and capabilities that are difficult for other firms to duplicate (Lepak & Snell, 1999). Under the rubric of HCT, Munawar et al. (2022), studying the hospitality sector in Pakistan, assert that green innovation and environmental knowledge may be rendered using the KSA framework. HCT, in GHRM, finds greater expression in organisational level studies some of which include studying organisational commitment in Pakistan's dairy industry (Shoaib et al., 2021) and green organisational culture in Pakistan's agri-inputs industry (Tahir & Javed, 2022).

Organisational citizenship behaviours (OCB) refer to voluntary and discretionary behaviours that go beyond job requirements and are not explicitly rewarded by the formal system, but which contribute to a more effective environmental management by organisations (Boiral, 2009). Using this framework, Chaudhary (2019b) explores the automobile sector in India and makes conclusions based on five different GHRMPs in prompting green behaviours, both in-role and extra-role, which eventually lead to organisational EP. Similarly, another study within OCB purview, undertaken in India in the manufacturing sector, studies how GHRMP perform in a developing economy (Mishra, 2017). Elsewhere, OCB has been used in studies to analyse EP in hospitality industry (Umrani et al., 2020) and Green Passion in FMCG firms (Mohammad et al., 2020).

Under the rubric of RBV and considering an organisation to be a collection of human, physical and organisational resources, S. Y. Malik et al. (2020) analyse 800 manufacturing firms in Pakistan. They conclude that the success of GHRM is contingent on two dimensions: the first being recruitment and reward, and the second being GIC. They further contend that resources may be tangible and intangible, and that human resources (intangible assets) are most important in the case of sustainability. Similarly, in a study on NGO's in Bangladesh, organisational strategic resources viewed through RBV have been linked to CSR performance (Masud et al., 2019). Moreover, RBV has been used with flow theory in seeking to understand green entrepreneurial behaviour among students in a Pakistani university (Hameed et al., 2021). Other contexts where the use of RBV has been used include a study of GHRMP and consequent employee engagement in garment industries in Pakistan (Aktar & Islam, 2019), green transformative leadership and green innovation in the Indian manufacturing sector (Singh et al., 2020), and green training and development in higher education in Pakistan (Abbas et al., 2022).

The SVFT proposes that GHRM practices function as organisational supply that employees value, which leads to the adoption of green behaviours. A fit scenario occurs when an organisation's resources match or exceed an individual's values, resulting in positive attitudes and actions. Gilal et al. (2019) employ the SVFT framework with OCBE for studying the EP of educational institutions in Pakistan. SVFT has been used by the researchers to model green values of the employees, which are then hypothesised to manifest as their environmental passion. Islam, Khan et al. (2021), studying MBA students, link ethical leadership and green values in educational institutions.

Explaining SIT, Tajfel and Turner (2004) assert that individuals aim to associate themselves with socially reputable groups to construct a favourable image (Chaudhary, 2019b). Given that SIT seeks to link the individual factors with the organisational factors, Ali et al. (2022), in the case of Islamic banks in Pakistan, examine the individual factors of GHRM (human, structural and relational) and their impact on organisational factors such as commitment, eco-friendly behaviour and EP. The exploration of social identity has been employed to examine how engineering students in India, projecting their identities in future, demonstrate their commitment to environmental sustainability by integrating green values into their job pursuit intentions (Chaudhary, 2018, 2019a). A similar study in the automobile sector uses SIT with AMO and person-organisation fit theory (Chaudhary, 2019b).

Social exchange theory (SET) is a significant criterion for understanding workplace behaviour (Cropanzano & Mitchell, 2005) and can strengthen the employee-employer relationship (Ahmad & Umrani, 2019). The theory suggests that employees seek benefits from their relationship with the employer and will be more involved if they perceive that the gains outweigh the drawbacks (Zhang & Liu, 2021). This benefits-disadvantages calculus has been studied in millennials working in SME's in Dhaka, where employees perceive green training and development as important returns (Islam, M. A. et al., 2022). Likewise, Amrutha and

Geetha (2021) demonstrate in their study on the Indian service sector how GT is viewed as a beneficial advancement for one's career. Other studies linking SET with GHRM include contexts like GHRMP in the hotel industry (Khan et al., 2022) and perceived organisational support and innovative environmental behaviour in the oil and gas sector (Bhatti et al., 2022).

Given that theory of planned behavior (TPB) bases itself on relationship between intention and behaviour (Yuriev et al. 2019), some of the South Asian studies that explored this relationship in the context of GHRM include green intention-behaviour gap across various sectors (Khalid et al., 2022), intentions for green practices in the IT industry (Akman & Mishra, 2014) and the moderating effect of religiosity on ethical behavioural intentions in Pakistani bank employees (Kashif et al., 2017). TPB is used to examine how green work climate perceptions influence supervisors' pro-environmental actions in the garment industry of Bangladesh (Rubel et al., 2021).

Stakeholder theory plays a crucial role in comprehending organisational change and achieving sustainability goals (Sodhi, 2015). To understand this concept, it is helpful to first understand what a stake is. A stake refers to an interest or share in an undertaking, which can range from a simple interest to a legal claim of ownership. A range of topics related to the stakeholder theory have been explored within the context of South Asia. Analysing manufacturing firms in India, Mishra (2017) uses stakeholder analysis and links four dimensions of organisational sustainability: GHRM, green supply chain management (GSCM), green competitive advantage and green CSR. Conceiving of communities, customers and contractors along with employees as stakeholders in a decentralised FMCG sector, Mandip (2012) concluded that emphasis on waste management recycling and delivering green products is fundamental to greening organisations.

Discussion

Systematic procedures and explicit criteria were used to analyse the research articles published from 2001 to 2023. The relevant information on GHRM literature was extracted, highlighting its conceptualisation, implementation, determinants and outcomes in both organisational and individual contexts. This review contributes significantly to the existing literature in multiple ways. First, it adopts an objective approach to data collection, utilising reputable journals to ensure the quality and reliability of the reviewed data. Second, the review distinguishes itself by providing a unique categorisation of the literature that aligns with current research trends in the field of human resource management (HRM). Traditionally, research in this area has primarily focused on operational functions and theoretical frameworks, making this review's approach both innovative and valuable. Third, this review elucidates the theoretical frameworks that may be most suitable for researchers seeking to explore GHRM. By presenting an overview of applicable theoretical frameworks, this review provides valuable guidance to those embarking on research endeavours in this field.

As illustrated in Figure 3, there has been a notable surge in interest in GHRM since 2001, with a sharp increase in publications on the subject beginning in 2015 and continuing to the present. This rise in research activity may be attributed to various factors, such as the evolving understanding among organisations of the potential competitive advantages of environmental sustainability. Additionally, heightened attention to ecological issues from governments and non-governmental organisations has further spurred interest in this area of study. Likewise, this trend is also discernible in the context of South Asia, where there has been an escalating interest in GHRM in recent years. As organisations in the region increasingly recognise the significance of environmental sustainability in enhancing their competitiveness, there has been a corresponding uptick in research activity on GHRM.

In relation to research methodologies and approaches, the literature demonstrates a diverse array of techniques being employed. From the existing body of literature, it appears that commonly used research methods include quantitative methods, empirical studies, theoretical studies and surveys. However, there is a noticeable gap in the use of qualitative methods, mixed-methods and case study/interview techniques, which should be considered in future research endeavours. While there is a growing trend among scholars to explore GHRM through a qualitative lens, there remains ample opportunity to expand the scope of research through the incorporation of diverse research methodologies.

While some studies, such as Anjum et al. (2022) and Rao (2013) have examined specific cultural and social aspects in South Asia, they predominantly focus on religion, leaving a significant gap in the literature regarding sociocultural issues like gender, diversity and industrial relations. Research indicates that these factors are crucial for effective GHRM practices. For instance, gender diversity has been shown to enhance organisational performance and sustainability outcomes (Jain, 2022). Additionally, studies suggest that organisations with diverse workforces are better positioned to innovate and adapt to environmental challenges, as varied perspectives contribute to more comprehensive problem-solving (Cooke et al., 2020). Furthermore, sociocultural factors such as local customs, values and power dynamics can significantly influence employee engagement with sustainability initiatives. In South Asian contexts, where collectivist values often prevail, fostering a culture of sustainability may require tailored approaches that resonate with community norms and practices (Hofstede, 2011). This contrasts sharply with research from Western contexts, where individualism may drive GHRM strategies and employee motivation. Moreover, the intersection of gender and industrial relations in South Asia highlights additional complexities. For example, women often occupy lower positions within organisations, and their voices may be marginalised in sustainability discussions. Addressing these inequalities not only aligns with social justice but can also enhance organisational commitment to sustainability efforts (Chatterjee, 2022). The limited research on public institutions in South Asia, which employ a substantial workforce, underscores the urgent need to explore how these sociocultural factors can inform GHRM practices in a region-specific context. Such investigations can lead to the

development of more inclusive and effective GHRM strategies that resonate with the unique sociocultural landscape of South Asia, ultimately fostering sustainable organisational outcomes.

The institutional context in South Asia may present challenges for the adoption and implementation of GHRM practices. These challenges include inadequate regulatory frameworks that hinder effective sustainability initiatives (Cooke et al., 2020) and pervasive corruption that undermines accountability and transparency in organisations (Venard et al., 2023). Additionally, cultural barriers, such as resistance to change and a lack of awareness about the benefits of sustainability, further complicate the integration of GHRM practices (Rao, 2013). Limited access to training and resources for organisations, especially in the informal sector, restricts the capability to implement sustainable practices effectively (Sharma & Kumar, 2019). Moreover, socio-economic factors, such as poverty and high unemployment rates, often prioritise immediate economic gains over long-term sustainability goals, impeding the commitment to GHRM (Chatterjee, 2022). Lastly, the lack of collaboration between public and private sectors can result in fragmented approaches to sustainability, diminishing the overall impact of GHRM initiatives (Anjum et al., 2022).

To overcome these challenges, organisations should take a comprehensive and integrated approach that aligns with their sustainability goals. Collaboration with external stakeholders such as government agencies, non-governmental organisations and industry associations can also facilitate the adoption and implementation of GHRM practices. Further research is needed to better understand the institutional and cultural factors that influence the adoption and implementation of GHRM practices in emerging economies, particularly in South Asia.

Limitations and Future Research

The present study has certain limitations that should be acknowledged. First, the organisational policies pertaining to GHRM were found to be a major limitation, as they restricted the scope of data collection and analysis. Second, the limited number of studies that relate to public policy and GHRM were not considered in this study, which may have resulted in a narrow perspective of the topic. Additionally, the study did not consider the impact of the COVID-19 pandemic, which led to the increased importance of remote work. This limitation is particularly significant in the South Asian context, where little research has been conducted on this subject. Furthermore, it should be noted that many research articles that may have been relevant were not included in this study as they were not indexed in SCOPUS. This is particularly relevant as grey literature, which is excluded from these databases, may contain valuable information that could have improved the study's findings. Despite these limitations, the present study provides valuable insights into the field of GHRM, and the results obtained may be used to inform future research in this area.

Drawing from our study, the researcher proposes several areas for future research in the context of Green HRM in South Asia. First, there is a pressing need to assess the impact of green recruitment, green hiring and green training and development processes in achieving GHRM. The formation of cohesive groups with shared values and vision may facilitate the adoption of environmentally friendly practices. Second, the development of strategies for promoting and incentivising GHRM adoption requires input from government and industry leaders. Recognising the significance of individual goals and personal moral norms, such strategies could help drive momentum towards GHRM adoption and practices. Third, research is needed to identify relevant training and development areas for GHRM, informed by successful models and involving collaboration between government representatives, industry leaders and researchers. Fourth, a thorough investigation is necessary to pinpoint the drivers and motivators for GHRM adoption across various business sectors in the Indian context. Finally, it is critical to identify the factors that can generate momentum for green recruitment, green hiring, and green training and development processes. Finally, incorporating research on GHRM within broader frameworks such as GSCM, corporate sustainability and the circular economy has the potential to yield significant value and enhance the overall efficacy of the application of GHRMP. In conclusion, this research suggests that the promotion and implementation of GHRM practices could significantly benefit all stakeholders in South Asia and that further exploration of the identified areas can help bridge the gap between GHRM practices and research.

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Recovering from Entrepreneurial Impression Mismanagement: The Role of Resilience and Affordable Loss

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Abstract

Entrepreneurial failure, especially in the social domain, is extremely challenging because it involves interactions with others, who may not be easily persuaded. Literature in impression management has so far focused on the successful delivery of impressions, while poorly executed impressions and their aftermath have rarely received scholarly attention. This article aims to advance scholarly discourse by advocating the need to efficiently recover after a mismanaged impression at entrepreneurial pitch competitions where impression stakes are higher. Recovery from failed impressions is important because it facilitates the restoration of vital resources for purposive action, preparing an entrepreneur for their next pitch. The primary research question is—How can entrepreneurs efficiently recover from impression mismanagement experienced at pitch competitions? This article presents a new recovery framework by advancing Shepherd's work on entrepreneurial grief recovery. In doing so, two resources that may amplify the recovery process are identified—affordable loss and resilience. These two may facilitate an entrepreneur's loss and restoration orientation of the event, eventually leading to a recovery. This article initiates a shift in the scholarly conversation from impression management to mismanagement highlighting its psychosocial impact on entrepreneurs and the subsequent need to build the capacity to recover from such events. Its interdisciplinary contribution across social sciences and business studies will offer insights to a wide network of scholars. Furthermore, we show how this framework can be useful for entrepreneurs in pitch preparation and recovery strategies.

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Keywords

Entrepreneurs, impression mismanagement, failure, recovery, affordable loss, resilience

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Introduction

Entrepreneurial failures have received considerable attention in entrepreneurship scholarly discourse. Such failures can result in significant distress (Huy, 2002), financial losses (Shepherd et al., 2009) and even social setbacks (Ucbasaran et al., 2013). Navigating the social setbacks associated with failure can be particularly challenging. These can result from instances of impression mismanagement. Impression mismanagement occurs when efforts to project a desired image fail to achieve the intended effect (Sezer, 2022). Research in this area has been fairly limited and inconsistent. The consequences of impression management, especially negative ones, have not received enough scholarly attention (Higgins et al., 2003). Impression mismanagement can accompany with itself a sense of failure, which may negatively impact an individual's tendency to learn from this loss (Zhang et al., 2022). This sense of failure leads to several psychologically aversive consequences, including significant emotional costs, diminished self-perception and a lack of accomplishment (Sagar et al., 2007). Despite this well-established understanding of the negative consequences of failures, a practical recovery mechanism is missing in entrepreneurship scholarly literature. This article seeks to bridge this gap by offering recovery solutions that can be implemented before an event, facilitating recovery after a failure occurs.

Unlike personal losses, in terms of finances or assets, social setbacks involve interactions with others, who may not be easily persuaded or influenced. While the gains of having a supportive network are immense, social setbacks may manifest in the form of credibility loss, being stigmatised or even being ostracised by friends and family (Shepherd & Patzelt, 2017). This can be explained by the loss aversion bias where individuals tend to be more sensitive to losses than to gains of equal magnitude (Tversky & Kahneman, 1991). Since the losses experienced are much larger, recovery is expected to be more challenging. Recovery can facilitate preparation for a comeback on the social front. Keeping this in mind, this article attempts to offer a framework to aid efficient recovery from entrepreneurial impression mismanagement in pitch competitions. We start with understanding impression mismanagement and its relevance in the entrepreneurial landscape. Following this, we highlight the need for proper recovery after an event of impression mismanagement.

Impression Management and Impression Mismanagement

Goffman (1959) introduced the concept of impression management, which has been widely studied by scholars in the social sciences. Impression management is

defined as a selective enactment of behaviours by an individual with the intention to give off a desirable impression (Bolino et al., 2008). Much of the existing literature on impression management has focused on the desirable, or in other words, likeable consequences of these strategies (Bolino et al., 2016). Consequently, the scholarly focus in this field has mapped the success and favourable outcomes associated with these strategies. This raises the question—What happens when impression management fails? To establish and grow their ventures, entrepreneurs manage a range of impressions (Giazitzoglu et al., 2024). Impression management comprises of two components—‘Impression motivation’ and ‘Impression construction’ (Leary & Kowalsky, 1990). While the former is activated in judgemental and goal-oriented platforms, the latter is the creation of impression through mindful strategies. Both these components of impression management magnify at public platforms like pitch competitions. While the impact of successful impression management at these platforms can benefit an entrepreneur significantly, the consequence of poor impressions can be equally devastating for the entrepreneur (Ucbasaran et al., 2013). The impact of an entrepreneur’s impression extends to their organisation (Waldner, 2020), team (Zhou & Rosini, 2015), investors (Arikan et al., 2016), customers (Morrish et al., 2010), suppliers and vendors (Veleva & Bodkin, 2018) and even their personal connections (Ucbasaran et al., 2013). This shows how stakes of impression management are much higher for an entrepreneur who is representative of all these important stakeholders. Research in this area has identified social costs such as breakdown of close relationships (Cope, 2011; Singh et al., 2007), loss of important social networks (Harris & Sutton, 1986) and social devaluation as a result of stigmatisation (Sutton & Callahan, 1987). When it comes to business-specific social costs, a failure may strain relationships with venture capitalists, who play a crucial role in the entrepreneurial ecosystem. A study by Cope et al. (2004) found that venture capitalists are able to differentiate between acceptable and unacceptable failures. They have found that venture capitalists are less tolerant of entrepreneurs who exhibit flamboyance and machismo (Cope et al., 2004). In contrast, they may be more tolerant of entrepreneurs who fail due to circumstances out of their control (Zacharakis et al., 1999). Given that poor performance on the social front is typically perceived as a result of mistakes rather than misfortune (Ucbasaran et al., 2013), an entrepreneur’s chances of reversing its negative impacts reduces. No matter how big or small, these negative experiences can have a huge impact on the entrepreneur and the future of their venture. This is why pitching competitions are more susceptible to witnessing instances of impression mismanagement and its broader impact over time. This applies to both early-stage and established ventures, as despite having different objectives in pitch competitions, their ultimate goal remains the same—to build a venture that is recognised and celebrated in the entrepreneurial space.

Impression Mismanagement at Pitch Competitions

Previous research done in this area has looked at impression management in funding spaces because this is where entrepreneurial impression management has the highest stakes (Gino et al., 2020). Pitch competitions are an integral part of the

entrepreneurial landscape. These events have gained popularity, especially in today's times with the increase in angel investors, venture capitalists and accelerators (Clingsmith et al., 2023). These events, which occur regularly across various countries, cities and industries, provide a platform for entrepreneurs to present their business ideas, seek funding and gain valuable exposure. These events require entrepreneurs to be at their best in order to impress important stakeholders. It gives them an opportunity to secure funding and network with other influential entrepreneurs. Entrepreneurs have been known to use impression management tactics like ingratiation, flattery, conformity, self-depreciation and self-promotion to enhance their performance in pitch competition platforms and eventually secure their intended goal (Sanchez-Ruiz et al., 2021). However, there is no certainty regarding the potential consequences of using these impressions. It is possible that the panellists and other key stakeholders of the competition may see through the act instead of being influenced by it. Research in neurology shows that first impressions are swiftly captured by the audience and create a foundation for their decision-making (Schiller et al., 2009). This means that entrepreneurs at pitch competitions can become victims of impression mismanagement as early as the starting of their pitch. When presenting their pitch, entrepreneurs convey a variety of information. This includes information about their venture's quality, entrepreneurial acumen (Ahlers et al., 2015; Chen et al., 2009; Eddleston et al., 2014), interpersonal skills (Busenitz et al., 2005) and their capacity to collaborate effectively with others (Huang & Knight, 2015). Lack of any of these factors at pitch competitions can result in impression mismanagement. Such instances can result in strong personal and social impact on the entrepreneur, making it more difficult for them to recover from such instances. This article advocates that entrepreneurs must be prepared for impression mismanagement so as to facilitate quicker recovery and subsequent readiness for the next pitch.

Recovery Post-impression Mismanagement

How do entrepreneurs recover from instances of impression mismanagement that have such a large impact? To answer this question, it is important for us to understand in the first place why recovery is important after a failed impression management. Recovery from such a substantial impact is expected to be much more challenging compared to personal impression mismanagement. A study by Elsbach and Kramer (2003) found that pitchers find it difficult to recover from the negative consequences as a result of a bad impression. It is possible that the cost borne after a poorly delivered pitch may hinder the preparation for the next pitch. This is why this article emphasises the need to recover from a previously failed pitch before moving on to the next pitching platform. Recovery is important because it facilitates the restoration of vital resources for purposeful action (Wach et al., 2021). Research in positive psychology has shown that entrepreneurs who exhibit 'learned optimism' (Seligman, 2006) are more likely to bounce back from failure, which motivates them to pursue future entrepreneurial ventures (Ucbasaran et al., 2003). The framework presented in this article offers ways in which this optimism

can be learned. Pitch competitions, as fertile as they are for benefits of various kinds, can be equally fertile for negative consequences. It is imperative to not only prepare thoroughly for a strong performance at pitch competitions but also to be ready for damage control in case things go awry. Social and psychological recovery, bear more complex costs—such as the loss of relationships, reputation, peace of mind and increased stress (Munawaroh & Qamari, 2020)—demand active involvement from the entrepreneur in the recovery process.

The complex and challenging nature of entrepreneurial pursuits involves incremental levels of uncertainty, resulting in higher stress levels (Cardon & Patel, 2015; Patzelt & Shepherd, 2011). Rauch et al. (2018) call this stress an essential ingredient in the entrepreneurial process. Given the inherently stressful nature of the entrepreneurial journey, it is understandable why strategies for recovery and well-being among entrepreneurs have been a prominent topic in entrepreneurship scholarly discourse. The three Rs conceptualised by Williamson et al. (2021)—‘Respite’, ‘Reappraisal’ and ‘Regimen’—offer some of the many proposed solutions for recovering from daily stressors. To recover from prominent business failures, Shepherd and Patzelt (2017) found sharing of failure narratives, seeking support and exploring new social networks helpful. However, it is uncertain whether these recovery strategies are applicable in the context of a failed impression. Instances of significant impression mismanagement on the social front may evoke feelings of guilt and shame, which may not be common responses to the daily stressors experienced by entrepreneurs. This becomes even more apparent in public platforms like pitch competitions. In this article, the framework offered is built on Shepherd’s (2003) work on grief recovery which emphasises entrepreneurs’ preparedness for recovery following an incident of impression mismanagement.

Framework for Recovery After Impression Mismanagement

Shepherd (2003) advocates the need to engage in recovery mechanisms after an entrepreneurial failure. He emphasises how recovery helps in reduction of emotional interferences and enhances one’s ability to learn from entrepreneurial failure. He offers a dual process framework for grief recovery that oscillates between loss orientation and restoration orientation. The state of loss orientation is characterized by the tendency to fully process a loss and eventually emotionally detach oneself from the lost object or event. Whereas, restoration orientation is characterized by the tendency to avoid the source of loss and proactively refocus one’s attention on something else (Archer, 1999). An individual in a state of loss orientation discovers meaning in the loss, leading to a transformed perspective of self and the world, which aids in overcoming negative emotions. However, an individual in a state of restoration orientation seeks to distract themselves from loss experienced, leading to a gradual fading of loss-related memories and helping to proactively refocus their attention on new goals. Through this dual process of

grief recovery, Shepherd (2003) argues that, though each orientation has its own costs, individuals exhibiting both these orientations can minimise these costs and maximise the benefits gained from them. This framework offers a workable solution to recovery from the consequences of entrepreneurial failure. While Shepherd (2003) advocates for strategies that can be implemented after a failure, the framework introduced in this article extends this conversation by advocating for the need to prepare oneself prior to an event which can possibly lead to failure. This article aims to examine strategies that can be implemented before a pitch competition to minimise the impact of impression mismanagement.

Affordable Loss as a Resource

This framework argues that recovery can be easier if an entrepreneur is prepared for possible impression mismanagement prior to the pitch competition. This means that an entrepreneur can benefit from having certain preliminary resources. One such resource can be explained by the principle of affordable loss (Sarasvathy, 2001). This principle, rooted in effectuation, promotes the need to identify the degree of acceptable risk that one can afford to take. Affordable losses at pitch competitions can range anywhere from not receiving funding to getting poor feedback on their pitch deck. By having identified losses that one can afford, an entrepreneur will be more receptive to the negative consequences of the pitch competition. It is expected that identification of affordable loss will aid process of acceptance and detachment from the incidence, inadvertently promoting a loss orientation. Loss orientation is heavily emotionally exhausting (Shepherd, 2003). Therefore, when an individual identifies affordable loss prior to actual loss, its propensity to adversely affect an individual is consequently lowered. Being aware of potential losses can also eliminate feelings of uncertainty prior to delivering their pitch. It takes away the imagined stakes associated with the platform. Identifying affordable loss can thus be a very useful resource both before and after potential impression mismanagement. For example, an entrepreneur who identifies affordable loss prior to their pitch may be able to deliver the pitch with more confidence and may take criticism more constructively. Alternatively, an entrepreneur who fails to identify affordable loss may lean towards a restoration orientation. Not identifying affordable losses may lead the entrepreneur to engage in damage control, as they might struggle to fully accept the extent of the loss. Additionally, not anticipating the loss may make them more open to learning from the experience and recognising the risks involved, which could be beneficial for their future pitches. For example, an entrepreneur who fails to identify affordable losses and overpromises on deliverables, may focus on seeking additional resources based on their revised plan.

Proposition 1: Entrepreneurs who identify affordable loss before their pitches tend to adopt a loss-oriented recovery approach after experiencing a failure in impression management.

Proposition 2: Entrepreneurs who do not identify affordable loss before their pitches tend to adopt a restoration-oriented recovery approach after experiencing a failure in impression management.

Resilience as a Resource

Another helpful resource in recovery can be resilience. The presence of resilience can promote a restoration orientation of recovery. Resilience is the capacity to successfully adapt to challenging situations (Ellis & Abdi, 2017). Resilience at pitch competitions may involve maintaining composure in the face of negative feedback and learning from experiences to enhance future pitches. Restoration orientations require cognition and the activation of the pre-frontal cortex to focus on actions. According to Schwarz and Bless (1991), emotions can interfere with cortex activities. With resilience, it can be expected that the role of emotions will be much more manageable as one would be more proactive to move on from the loss. Since resilience emphasises on ‘bouncing back after a fall’, it can help entrepreneurs shift their focus from loss to opportunities. New opportunities and goal redirection will serve as a distraction, refocusing attention from the negative emotions of loss to the positive emotions of gain. For example, an entrepreneur with high resilience who receives critical feedback after their presentation might use it as an opportunity to improve and refine their approach for the next presentation. Alternatively, the lack of resilience may promote a loss orientation. With lower resilience, an entrepreneur may be more vulnerable to the negative consequences of poorly delivered impressions. They may heavily focus on detaching themselves from the event than proactively refocusing their attention to other goals. Additionally, having low resilience may hamper the process of learning from the experience due to heightened overwhelming emotions and preoccupation with loss. For example, an entrepreneur with low resilience who is asked to exit the pitch early might attempt to disconnect from the event and those involved as a way to cope with the intense feelings of shame.

Proposition 3: Entrepreneurs with high resilience tend to adopt a restoration-oriented recovery approach after experiencing a failure in impression management.

Proposition 4: Entrepreneurs with low resilience tend to adopt a loss-oriented recovery approach after experiencing a failure in impression management.

Proposed Model

Figures 1 and 2 represent the framework proposed in this article indicating preparatory resources that result in efficient recovery post an event of impression mismanagement at pitch competitions.

Figure 1 represents the proposal that entrepreneurs who identify affordable loss before their pitches tend to adopt a loss-oriented recovery approach after

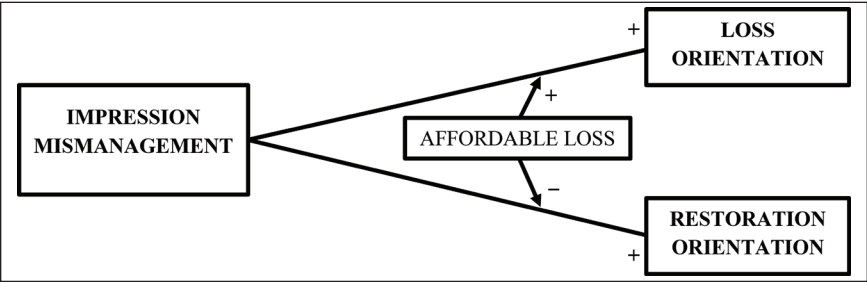


Figure 1. Proposed Model of Affordable Loss.

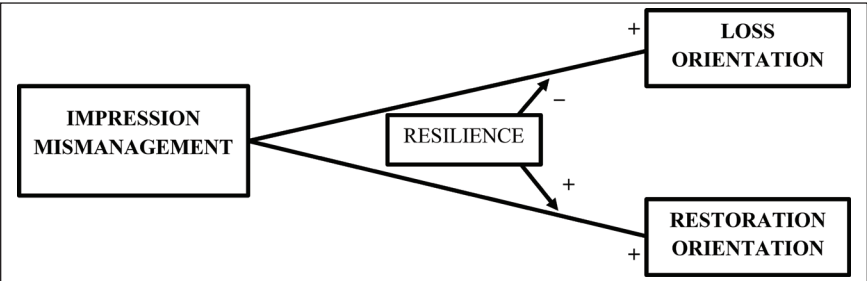


Figure 2. Proposed Model of Resilience.

experiencing a failure in impression management (i.e., proposition 1). I also propose that entrepreneurs who do not identify affordable loss before their pitches tend to adopt a restoration-oriented recovery approach after experiencing a failure in impression management (i.e., proposition 2).

Figure 2 represents the proposal that entrepreneurs who have higher resilience tend to adopt a restoration-oriented recovery approach after experiencing a failure in impression management (i.e., proposition 3). I also propose that entrepreneurs who have lower resilience tend to adopt a loss-oriented recovery approach after experiencing a failure in impression management (i.e., proposition 4).

Discussion

Recovery is essential, not just for overcoming past setbacks, but also for better equipping oneself for future events. This article examined recovery in the entrepreneurial landscape by identifying processes that take place before and after a pitch competition. Since pitch competitions hold a lot of value in an entrepreneur’s venture, this makes these events more susceptible for impression mismanagement. The root of impression mismanagement may stem from a lack of preparation, anxiety, poor execution of plans and various other potential factors. The effect of such instances can have a significantly negative impact on an entrepreneur. This is why this article advocates for the need to recover from instances

of impression mismanagement experienced by entrepreneurs. In doing so, this article identifies affordable loss and resilience as two resources needed for recovering from events of entrepreneurial impression mismanagement at pitch competitions.

Affordable loss is one of the five principles of effectuation, a decision logic developed by Sarasvathy in the entrepreneurship context (2001). Sarasvathy (2006) suggests that one can determine affordable loss by assessing their financial situation and psychological commitment for a potential worst-case scenario. This evaluation is done prior to an event that requires entrepreneurial investment. In this way, it serves as preparation for recovery following entrepreneurial failures. In the case of a pitch competition, an entrepreneur can evaluate the possible consequences of impression mismanagement and measure affordable loss accordingly. These losses can range from not acquiring funding to receiving constructive criticism on the pitch. A predefined scenario where one might risk losing something that is relatively affordable can help ease the entrepreneur's stress during the actual pitch delivery, reducing the pressure to perform perfectly. The logic of affordable loss stems from the idea of innovation rather than prediction (Sarasvathy & Dew, 2005). Since the focus is on the potential losses incurred rather than the returns gained, an entrepreneur is better able to recover post incidents of impression mismanagement.

However, unlike affordable loss that is identified prior to the event, resilience is characterised as consistent functioning across time in the face of a traumatic experience (Corner et al., 2017). In other words, the resource of resilience plays a critical role during and after an event of impression mismanagement at pitch competitions. Research recognises entrepreneurial failures as one such traumatic experiences and resilience as a relevant tool for re-entry to the entrepreneurial landscape (Hayward et al., 2010). Resilience is widely regarded as a crucial tool for overcoming the challenges associated with entrepreneurship (Gabriele et al., 2020). In the case of pitch competitions, resilience holds value in developing strength to find opportunities despite of experienced failure in the pitch. Unlike affordable loss, resilience acts as a capacity to brace through losses that may not have been identified. Despite their differences, both of the resources of affordable loss and resilience can be cultivated and developed over time (Cutuli et al., 2002; Sarasvathy, 2001; Youssef & Luthens, 2005). This article highlights their applicability in recovering from events of impression mismanagement during pitch competitions.

The differential impact is visible in the nature of both these resources. Affordable loss, because of its tendency to identify possible setbacks will be inclined to adapt a loss-oriented recovery strategy. While potential losses may equip them for the unfortunate event, they will also help them cope with the overwhelming emotions tied to the failure. Failure to identify an affordable loss can prevent individuals from fully accepting the loss, which may result in recognising the opportunities that arise from it, and will eventually aid a restoration-oriented recovery approach. Similarly, resilience will help in discovering possible opportunities during and after the event which may help in recovering through a restoration orientation. Resilience will also help an entrepreneur identify ways in which the losses incurred can be reversed or replaced by other opportunities.

However, the lack of resilience would require the entrepreneur to overcome negative emotions accompanied by the failure, consequently aiding a loss-oriented recovery approach. Due to lack of resilience, they may want to distance themselves from elements of the event so as to overcome feelings of sadness, guilt and shame. The propositions in this article explore opportunities across various scenarios, including both identified and unidentified affordable loss, as well as the presence or absence of resilience. It highlights how different scenarios aid recovery in their own unique way. This is why, this article also advocates for the joint impact of affordable loss and resilience. Based on these propositions we can identify that identified affordable loss accompanied with low resilience will result in a loss-oriented recovery approach. Whereas unidentified affordable loss accompanied with high resilience will result in a restoration-oriented recovery approach.

This raises the question—What happens when an entrepreneur has identified affordable loss and has a high resilience, or alternatively, when an entrepreneur has not identified affordable loss and has a low resilience. We can say that entrepreneurs who are able to identify affordable loss and have high resilience will possibly try to salvage the best opportunities out of the event. Given that the affordable losses were identified beforehand, and the entrepreneurs possess the ability to manage negative emotions, they can leverage their resilience to optimise the situation and achieve the best possible outcomes from the event. This will possibly aid both loss and restoration-oriented recovery approaches. It is also possible that they can turn the negative consequences of an event into positive outcomes, reversing the consequences of impression mismanagement. For example, an entrepreneur who has identified their affordable loss beforehand and possesses high resilience might handle a technical issue during their pitch with composure, adjust their presentation as needed, and use the experience to improve their strategy for future opportunities. Similarly, we can say that entrepreneurs who fail to identify affordable loss and have a low resilience will possibly try give in to the losses experienced. Losses may be perceived as unexpected, combined with low resilience, can hinder an entrepreneur's willingness to try again. In these situations, the entrepreneur may find it difficult to fully recover or even to engage in the recovery process. For example, an entrepreneur who has failed to identify their affordable loss beforehand and possesses low resilience might respond to failure in impression mismanagement as a significantly embarrassing event and may opt out of the entrepreneurship landscape to avoid such incidents in the future.

The entrepreneurial environment, unlike a regular working environment can be relatively more unpredictable. It's important to recognise that not every failure is due to personal actions; it could also stem from unforeseen circumstances or factors beyond our control. This is acknowledged by key stakeholders in the entrepreneurial landscape, who tend to be more tolerant of failure, particularly in certain circumstances (Cardon et al., 2011). How would recovery look like in such tolerant environments? It could possibly depend on the degree of loss perceived by the entrepreneur. Psychological effects on an entrepreneur's well-being have been observed when they are vulnerable to losing valuable resources (Hobfoll et al., 2018). While this article advises on accommodating resources that will potentially facilitate recovery, it also recognises that resources like identifying

affordable loss and developing resilience cannot happen overnight, and may require much more work than what is simply stated in the framework. A lot of preliminary work on vulnerability, perception and attitude may be required for an ultimate recovery from instances of impression mismanagement.

Theoretical and Practical Implications

This article offers four important theoretical contributions. First, it promotes a shift in scholarly conversation from impression management to impression mismanagement. Much of literature on impression management has assumed the success of such strategies. However, what is more concerning is when such strategies fail and instead lead to more difficulties. This makes it imperative for scholarship to shed light on the negative consequences of impression management. In doing so, it also strengthens the need for carefully strategising impression management in order to reap its benefits. Second, it highlights the psychosocial impact of impression management on entrepreneurs. Despite heavy literature on entrepreneurial stressors, there is dearth of literature in terms of stresses generated due to instances like impression mismanagement that may ignite feelings of guilt and shame. As stated previously, such instances can be difficult to overcome as they involve interactions with others, who may not be easily persuaded or influenced. This theoretical implication highlights the urgency of taking practical steps to mitigate the impact of such psychosocial experiences. Third, this article advocates for the need to build capacity prior to an incidence of impression mismanagement in order to facilitate the process of recovery after the event. It identifies ways in which individuals can be prepared for failure and the associated challenges experienced with it. Failure especially in the social context may not be easily predictable. The resources identified in this article offer solutions to shield oneself from these unprecedented events of failure. Fourth, the research will contribute to scholarly discourse across multiple fields of study, including social psychology, organisational behaviour, entrepreneurship, communication studies and crisis management. Considering that impression management is prevalent across various contexts, the framework proposed in this article may be adapted by fields other than entrepreneurship.

This article also highlights two important practical implications. First, it offers practical recovery strategies for entrepreneurs in the face of impression mismanagement. This offers solutions to move from setbacks to a state of comeback, to prepare for the next pitch competition. Without recovery, the sense of failure may translate as a residue for the next pitch performance. It is crucial that any such feelings are overcome before the next pitch in order to capitalise on the next best opportunity for entrepreneurs. This feeling of success, in itself, can also act as a long-term recovery agent for the entrepreneur. Second, insights from the research can benefit entrepreneurs in strategising a better impression management plan moving forward. Being more receptive to failure or gauging the extent of acceptable failure may help them strategise more effectively.

It may also help them gain a broader perspective on the event, enhancing their ability to see the bigger picture and learn from their loss. The two resources offered as a part of the framework can promote optimism with the entrepreneur, resulting in a better chance of bouncing back from failure. This optimism can also act as an anchor to regulate feelings of anxiety that may hamper their performance in the pitch competition.

Conclusion

Impression mismanagement and its aftermath have been largely neglected in scholarly research (Sezer, 2022). Scholars have primarily focused on understanding the strategies that individuals use to manage impressions. However, not all impressions result in desired outcomes, and the possibility of mismanagement can even impact an individual's preparation for impression management. Given that the impact of impression mismanagement is larger on entrepreneurs, this article offers a framework to efficiently recover from impression mismanagement at pitch competitions. Recovery is important because it facilitates the restoration of vital resources for purposive action, preparing an entrepreneur for their next pitch. The framework in this article proposes four states of an entrepreneur's preparedness for recovery from impression mismanagement. These four states recognise identification of affordable loss and resilience as two resources that promote either loss-orientation or restoration orientation of recovery based on the levels at which they are present. In other words, this framework provides a preparatory process that aids in facilitating effective recovery after impression mismanagement. Recommendations are drawn from Shepherd (2003) for recovering from impression mismanagement and introduce a pre-impression mismanagement recovery strategy to enhance the subsequent recovery process. This article acknowledges the negative consequences of impression mismanagement and recognises ways in which the process of recovery can be made more efficient. It not only promotes the preparedness of entrepreneurs for potential failures in pitch competitions but also anticipates a reduction in the number of entrepreneurial failures resulting from a poor pitch. While advocating for prior preparedness, it also advocates the idea of building capacity and strength to overcome entrepreneurial challenges and promote overall success in the competitive entrepreneurial landscape. This article offers a foundation for empirical research in impression management in the entrepreneurial landscape. I hope future researchers as well as entrepreneurs will find this article useful.

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Global Capability Centres in India: A Futuristic Analysis

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Abstract

Global Capability Centres (GCCs) have evolved from being regarded merely as instruments for cost reduction to being the drivers of innovation and transformation. This article seeks to give a broad-based perspective on the prospects of GCCs in India. The outlook for GCCs in India is optimistic, as a growing number of international firms are seeking to establish their GCCs in the country. This trend is anticipated to create job opportunities and increase socio-economic benefits for India. With a skilled English-speaking workforce, India is on the cusp of becoming the next 'Silicon Valley of GCCs', with various innovation and talent hubs developing throughout the country. This progress may lead to enhanced socio-economic conditions in both Tier-I and Tier-II cities. However, despite significant advancements, GCCs have not yet attained widespread recognition in the country. They encounter several challenges, including inadequate collaboration between parent organisations and GCCs, difficulties in transitioning back to on-site work from hybrid or remote arrangements, decline in service quality due to prolonged remote work, hurdles in implementing transformation and automation initiatives at the necessary speed, obstacles in scaling or resuming support services and reduced worker productivity stemming from extended remote work and weakened cross-functional collaboration. To overcome these challenges, proactive measures from industry stakeholders will be essential. These may involve monitoring employee productivity and satisfaction through online proctoring and regular meetings in hybrid or remote work environments and improving collaboration between GCCs and their parent organisations through consistent communication and feedback.

Keywords

Global capability centres, India, innovation, transformation

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Introduction

Global Capability Centres (GCCs) are offshore facilities set up by Multinational Corporations (MNCs) to manage a variety of business operations for their parent organisation(s). In the past, these functioned as back offices and support centres for different business tasks. Currently, GCCs are helping India become a leading destination for global corporations seeking to establish Centres of Excellence (CoEs) across diverse domains such as Research and Development (R&D), Business Process Management (BPM), Information Technology (IT), Human Resources (HR) and Banking and Financial Services (BFS). The overarching objective of these facilities is to attract a vast talent pool, ensure cost-effectiveness in daily business operations, innovate and be able to maintain agility in businesses (HSBC, 2024). This analysis seeks to discuss the present and future of GCCs in India with a view to better equip modern-day managers with the latest undercurrents in the world of business. Given the relative paucity of literature on the topic within scholarly circles, this study seeks to bridge the gap regarding learning on the same.

Prior to undertaking an in-depth analysis of GCCs in upcoming segments, it is vital to understand the organisational and functional composition of the same. The GCCs are structured as follows. First, their leadership comprises senior executives the likes of the Managing Director/Vice President, who ensure overall alignment with the company's goals (HSBC, 2024). Second, different departmental heads like IT, Finance, HR, R&D and Operations have leaders reporting to the overall heads. Third, teams are organised based on specific functions/projects (HSBC, 2024). In addition, there are majorly three practical divisions of any GCC, namely, core, support and cross-functional. Core functions include critical business operations like software development, data analytics, cyber security and R&D. Support functions comprise HR, legal, finance and administrative services to support core functional activities. Cross-functional teams address intricate and multi-disciplinary projects requiring collaboration across different functional areas (HSBC, 2024).

This perspective is divided into the following segments. First, the subject of this study is introduced. Second, themes are identified based on available literature. Third, a conclusion is drawn based on the reviewed literature and last, future policy implications of the study are discussed.

The next section coalesces existing literature on the theme.

GCCs in India: A Review

The following passages seek to explain the fundamental structure, functions and benefits of GCCs with special reference to India.

Operation of GCCs

The operation of GCCs is a manifold process. First, integration with the parent company involves the GCCs closely aligning their goals and objectives with the overall business strategy and relying on robust communication channels and

reporting mechanisms so as to maintain transparency and alignment. Second, talent management revolves around recruiting highly skilled professionals and ensuring their continuous upskilling/reskilling. Third, operational efficiencies entail implementing standardised processes and best practices, greater adoption and use of advanced technologies of the likes of Artificial Intelligence (AI), cloud computing and machine learning, regularly monitoring and evaluating performance through Key Performance Indicators (KPIs). Fourth, GCCs also need to be innovative for which they need to indulge in cutting-edge research and collaboration with internal and external industry stakeholders. Last, robust governance and compliance through effective regulation, risk assessment and mitigation and data security are imperative for effective operations of GCCs (HSBC, 2024).

Major Functions of GCCs

GCCs permit companies to focus on their core competencies while using their multifaceted expertise across diverse domains/regions. Some of the major functions of GCCs could be listed as follows: IT services (for development of applications, infrastructure management, IT support and cyber security), R&D (for technological advancement), engineering services (for expertise in software development, product design, testing and validation), finance and accounting (for accounting, budgeting, tax compliance and treasury management), analytics and data management (for data analytics and intelligent business decision making), customer support (e.g., customer help desk), Human Resource Management (for efficient administration of recruitment, training, talent management, employee relations, payroll and benefits), procurement and supply chain management (for overseeing procurement processes, inventories, logistics and relationship management), compliance and risk management (for ensuring functional regulatory compliance, governance framework, risk management and data security), Business Process Outsourcing (for outsourcing non-core businesses of the likes of finance, Human Resources, customer support, back-office operations and procurement) (HSBC, 2024).

Benefits of GCCs

The advantages of GCCs in India are significant for organisational success, as they offer specialised services in IT, research and development, finance, customer support and data analytics. By utilising these centres' expertise and resources, companies can drive technological progress, enhance workforce skills and implement transformative business functions. The benefits of GCCs could be briefly summarised as follows.

First, GCCs provide access to a diverse talent pool. India, with its numerous cities specialising in various industries, provides GCCs with a rich and varied talent pool possessing expertise across multiple domains. For instance, Microsoft's GCC in India focuses on core software development, leveraging the skills of local software engineers (HSBC, 2024). Second, GCCs result in cost efficiencies.

These centres improve operational effectiveness by utilising strategically located, cost-efficient environments and streamlined processes. These result in standardised practices, lower overhead costs and substantial financial savings. For example, accenture operates several GCCs in India, enabling it to deliver cost-effective solutions on a global scale. Third, GCCs foster innovation. GCCs encourage the creation and implementation of cutting-edge technologies by promoting creativity, experimentation, and collaboration, thereby pushing technological limits and influencing future developments. A notable example is Alvarez & Marsel (A&M), which established its first GCC in India to enhance global service delivery and innovation across various regions, ultimately benefiting clients. Fourth, GCCs enable with achieving operational excellence. These centres implement best practices, robust processes, and high-quality standards, emphasising continuous improvement, automation and efficiency. This focus enables organisations to meet their goals and establish new performance benchmarks. Similarly, Infosys optimises its GCCs in India to provide global IT solutions and consulting, emphasising operational efficiency through stringent quality control and ongoing enhancement. Fifth, GCCs aid with supporting strategic initiatives. These initiatives are closely aligned with key business objectives such as digital transformation, market expansion and product development. They enable organisations to achieve their strategic aims and sustain a competitive advantage. Sixth, GCCs lead to global collaboration and integration. GCCs promote cross-functional teamwork, facilitate knowledge exchange and encourage the implementation of best practices, thereby, enhancing competitive positioning. Nvidia is actively partnering with prominent Indian firms like Reliance and Tata Group to develop state-of-the-art AI data centres and computing infrastructure. Last, GCCs help with attaining agility and scalability. Organisations are able to swiftly adapt to market fluctuations and evolving customer demands. They offer flexible resource management, prompt solution implementation and scalable operations. For example, AMD is establishing its largest global design centre in Bengaluru, which is expected to employ approximately 3,000 engineers (HSBC, 2024).

GCCs and India: The Future Ahead

India and GCCs share a very unique relationship. The poster boy of India's then budding romance with GCCs some forty years ago, Texas Instruments at Bengaluru, made the city a leading global hub in innovation and R&D operations, thereby helping to generate tech jobs in the country as also solidifying its position as a hub for advanced technological development. The country has travelled a long way since then and is now home to some 1,600 GCCs across the length and breadth of its landmass (a majority of these are located in Bengaluru, Chennai, Delhi-NCR region, Hyderabad, Mumbai and Pune). This number is expected to go up to 1,900 by next year. The combined market size of the GCCs is now close to US\$ 60 Billion. In addition, they had provided employment to around 1.6 million aspirants till 2024. Even the latest Economic Survey of India points towards GCCs as a major driver of the country's future socio-economic prosperity with an

expected revenue generation of approximately US\$ 121 Billion or about 3.5% of India's current GDP by 2030. In addition, there has been a healthy growth in salaries in the sector. From 2020 to 2024, salaries in GCCs across India have increased by 9.5% to 10.7% (Phadnis, 2024).

To further the prospects of GCCs in India, the country has recently undertaken several concrete measures in this regard. Some of the provisions listed in Union Budget 2022–2023 could be singled out in this regard. First, setting up of world class universities in the GIFT City in Gujarat may facilitate easier flow of skilled manpower across financial services space. Second, international arbitration centre at GIFT City may strengthen the dispute resolution mechanisms and thereby, enhance ease of doing business. Third, major upskilling/reskilling programmes may enhance skill accessibility for GCCs across India. Fourth, increased emphasis on R&D in sunrise sectors of the likes of AI, geospatial systems and drones shall boost GCCs in these areas (Pillay, 2022).

The outlook for GCCs in India is highly promising, with substantial growth anticipated. With 50% of the world's GCCs situated in India, the country has firmed its reputation as the global capital for GCCs. Established centres in major cities such as Bengaluru, Delhi, Hyderabad, Chennai and Mumbai are flourishing, while emerging tier-II cities like Vishakhapatnam, Jaipur and Coimbatore are becoming increasingly attractive for new enterprises, thanks to enhanced infrastructure, favourable state policies and lower costs associated with real estate and labour. GCCs are set to prioritise ongoing enhancements, automation and operational efficiencies to minimise expenses and boost productivity, all while placing a strong emphasis on sustainable practices. This growth trajectory is expected to generate a wealth of job opportunities and promote skill development, positioning India as a pivotal player in the global business and IT services landscape (HSBC, 2024; Vidya, 2024).

The next section concludes this perspective.

Conclusion

From being seen merely as instruments for achieving cost arbitrage, GCCs are evolving into vehicles of innovation and transformation. The outlook for GCCs in the country remains upbeat, with a growing number of global firms seeking to establish their GCCs in India. In the process, they would create job opportunities and also higher socio-economic value addition for the country (Sen & Mehra, 2022).

GCCs would continue to make their presence felt across India, thanks to their emergent focus on the four pillars of strategy, digitalisation, data and cyber security and talent acquisition and retention. With a skilled English-speaking workforce, India may soon become the 'Silicon Valley of GCCs', with several hotspots of innovation and talent smattered across the country. The same may translate into better socio-economic prospects for both Tier-I and II cities in India (Sen & Mehra, 2022).

The last section lists the future policy implications of this article.

Future Policy Implications

Notable achievements aside, GCCs are yet to fully gain coinage in India. There are some challenges that GCCs in the country might face. First, lack of collaboration between parent organisations and GCCs. Second, disruptions while returning to on-site office models from hybrid or remote working arrangements. Third, drop in service quality due to prolonged periods of remote work under 'work from home' office models. Fourth, inability to deliver transformation/automation programmes at desired pace. Fifth, inability to scale/resume services for support functions and facilities. Last, reduced worker productivity owing to prolonged hours under 'work from home' and reduced cross-functional collaboration (Sen & Mehra, 2022).

The aforementioned challenges could be met with the help of proactive responses from industry stakeholders. First, monitor worker productivity through online procuring and regular meetings, if work arrangement is of hybrid or 'work from home' varieties. Second, improve collaboration between GCCs and their overseas parent organisations through regular meetings and feedback. Third, evolving a healthy and pleasurable work culture through seeking regular employee feedback on the issue of potential burnout. In other words, setting optimal working hours with adequate breaks in between should mitigate the issue of unhealthy work environments.

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