

ISSN (Print): 0976-013X

ISSN (Online): 0976-0148

DOI: 10.47914/jmpp.2018.v9i2.000

# Journal of Management & Public Policy

Vol. 9 No. 2

June 2018

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Journal of Management & Public Policy (JMPP) is a biannual peer-reviewed journal published in June and December every year by Management Development Research Foundation, New Delhi (India).

**JMPP** seeks to create a body of knowledge around the interface of various functional areas of Management and Public Policy. It is likely to serve as an independent forum for the academia, industry, civil society and the State to carry forward a candid and objective discussion on common issues having a bearing on economy, business, community, environment and the quality of life of the people.

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**JMPP** is indexed in EBSCO, ProQuest and Indian Citation Index

**Editorial Queries:** editor.jmpp@gmail.com

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Published online by Liberal Press, New Delhi.

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## Unaccounted Income vis-à-vis Public Perception in India: An Empirical Analysis

Arun Sharma\* and Jaspal Singh\*\*

### Abstract

Governments around the world are focusing upon tax compliance as a serious concern. The unending wave of scams and incidences of misappropriations coupled with the scarcity of resources has put forth the domain of unaccounted incomes to a considerable public attention. The present paper attempts to study the taxpayers' attitude towards the underlying dimensions responsible for unaccounted income(s) in India. The factor analytic approach resulted in four factors namely regulatory burden, detachment with democratic institutions, improper administration and public despair as the key causal dimensions concerning generation of unaccounted incomes in India. Further, multiple regression analysis results reflect 56 percent variance in the dependent variable. The overall level of satisfaction with the tax compliance system has been explained by the exploratory factor structure. The results provide practical implications to deepen the tax base by sustained efforts to improve compliance in a holistic way.

**Keywords:** Unaccounted Income, Tax Compliance, Tax Gap, Self-employed assesses

### Introduction

The history of evasion of taxes dates as back as to the origin of taxes themselves. History abounds the examples of tax evasion and unaccounted income. In India, the problem could be traced back to the regime of Emperor Chandra Gupta Maurya in the 4<sup>th</sup> century B.C. Kautilya, his wise advisor, enumerated the numerous ways by which money could be misappropriated. Unaccounted income is a multi-dimensional phenomenon. The concept and scope may differ across jurisdictions primarily on account of the social behavior or cultural values that determine the validity or unacceptability of particular conduct. What may be an offence or an illegal act in one jurisdiction may be an acceptable customary practice or a legal activity in the other jurisdiction. The exact definition thus depends on the circumstances in which the concept is being used. The present study follows the definition given by the National Institute of Financial Management<sup>1</sup> (NIFM, 2012). According to NIFM, "Unaccounted Income is the income from those economic activities that circumvent or otherwise avoid government regulation and taxation." This definition attempts to cover illegal as well as legal economic activities where tax could be evaded. Thus, as per this definition if the actual income of an individual is \$1 million and he/she reports an income of half a million dollars only, then the remaining half million (unreported) constitutes *Unaccounted Income*.

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The phenomenon has started grabbing scholarly attention given the gigantic estimates presented for India (Acharya et al., 1986; Kar, 2011; Ministry of Finance, 1971; Press Trust of India, 2013). The report by Global Financial Integrity (Kar & LeBlanc, 2013) estimated a total of approximately USD \$ 343,932 million worth of unaccounted income from India as stashed abroad. An important repercussion is the revenue lost by the exchequer, in addition to social and economic effects the phenomenon brings along. The loss of revenue poses serious restrictions on government's attempts to bring the desired socio-economic changes in the economy. It undermines the principles of social justice and equity. It shatters the faith of common man in the virtues of honest labor and virtuous living (Ministry of Finance, 2012).

**Table I: Spread of Taxpayers in India (F.Y. 2011-12)**

Tax Slab	No of Taxpayers (in crores)	Percent of Taxpayers	Tax Collection (in crores)
₹ 0 - ₹ 5 lacs	2.88	88.9	15,010
₹ 5 - ₹ 10 lacs	0.18	5.6	21,976
₹ 10 - ₹ 20 lacs	0.14	4.3	17,858
> ₹ 20 lacs	0.04	1.2	93,229

Source: Parliamentary Standing Committee Report on Draft Direct Tax Code, 2012

The composition of Indian taxpayers (in terms of incomes reported) presented in table I depicts the skewed direct tax base in the country. Table I reveals that majority of taxpayers fall in the income slab of ₹ 0 - ₹ 5 lac (88.9% of the total taxpayers). Incomes under ₹ 5 lac attract only 10% income tax levy in India with incomes up to first 2.5 lacs being the basic exemption limit. Such skewed taxpayers' composition within an already tiny tax base indicates that either the growth fragrance has not reached the masses or the government has not been able to know that! The statistics itself presents the large scope for the possible widening of direct tax base and the pressing need to understand the dynamics of unaccounted income in the country.

### Background Literature

A number of attempts have been made in the past to explore the dynamics of the phenomenon of unaccounted incomes worldwide. Prominent contributions in the field have been made by Frey and Weck(1983), Fiege (1990), Mirus et al.(1994), Soldatos (1995), Cebula (1997), Johnson et al.(1998), Giles (1999), Tanzi (1999), Schneider and Enste (2000), Anno (2003) , Bajada and Schneider (2005), Breush (2005), Kar (2011) among others. As regards India, in the post-independence context, such attempts have been made by Kaldor's study (1956) and the direct taxes enquiry committee report (1971) which estimated tax evaded income to be to the tune of Rs. 700 crores (1961-62), Rs 1000 crores (1965-66) and Rs 1400 crores (for 1968-69). Numerous studies (as shown in table II) also identified the gravity of the problem by quantifying the amount of unaccounted incomes in relation to India's GDP.

**Table 2: Unaccounted Income Estimates in relation to India's GDP**

Study	Year	Size as percentage of GDP/GNP
Gupta and Gupta	1982	39.01 % (for 1976-77)
Chopra	1985	10.13% (for 1976-77)
Acharya et al.,	1985	15-18% (for 1975-76) 18-21% (for 1983-84)
Schneider et al.	2003	8.99% (for 1960-61) 23.20% (for 1997-98)
Kar, D.	2011	17.7% (by 2008)
NIFM	2012	75%

Much of the focus has been concentrated on quantifying the amount of such incomes alone. The study of dynamics of the problem (i.e. its nature and causes) also needs equal attention. Sociologists analyze this phenomenon in terms of society's weak commitment towards nation's laws and regulations. Psychologists explain it in terms of one's individual behavior engaged in such activities being "deviant" and "abnormal". Anthropologists explain it in terms of a society's culture, values, beliefs and customs specifying what stands morally right and what stands wrong, while economists treat the phenomenon to be a result of a rational decision making process concerning an individual. So, no single theory has completely been able to explain the determinants of individual behavior or guiding principles to engage in such activities. Many factors interplay at the same time (Chugh & Uppal, 1986).

Acharya (1983), Chopra (1985) and Schneider & Enste (2000) also call for examining its causal factors in order to build an understanding over the dynamics of the issue. It helps in the analysis of (i) tax potential; (ii) effectiveness of tax administration; (iii) limits to fiscal and monetary policies; (iv) inflation and phenomenon of increase in prices particularly in items such as land prices and those of goods of conspicuous consumption, (v) the level of tax morality of the society (Chopra, 1982). Hence in the light of aforesaid discussion the present research attempts to study public attitude towards perceived reasons behind the growth of unaccounted incomes in India. The present study thus contributes to the efforts in improving tax morality and compliance in Indian economy.

### **Research Model**

The fundamentals of a tax system are enumerated by the principles it is based upon. The first set of such principles were defined by Adam Smith (equality, certainty, convenience and economy). The development in economics and public finance evolved some additional canons over the time (productivity, simplicity, buoyancy, flexibility and diversity). No single taxation theory fully satisfies the requirements of the present day socioeconomic realities. Hence, various important taxation theories namely benefit received theory, socio-political theory and the ability to pay theory interplay together. The Benefits received theory establishes a link between taxes paid and state activities. Socio-political theory, on the other hand, stresses that tax system should be designed in the social and political context. It professes the modern welfare approach to tax policy. However, it does not see a contractual relationship between the citizens and state unlike benefits received theory. The basic tenet of ability of pay theory stresses that tax burden should be distributed on the criteria of justice and equity which in turn implies their ability to pay. It prescribes progressive taxation and income redistribution. Accordingly, these three important tax theories (benefits received theory; socio-political theory and ability to pay theory) altogether have the potential to explain the phenomenon of unaccounted income.

### **Scale Construction, Methodology and Data Collection**

#### **Sample and Methodology**

A total of eighteen statements were framed for the questionnaire. The survey data has been collected from a sample of 500 individual respondents (income tax assesseees) using a structured questionnaire. Out of the responses received, 415 were found to be valid and complete. A five-point Likert scale has been used for obtaining responses ranging from "Strongly Agree" (with a score of 5) to "Strongly Disagree" (with a score of 1). The survey statements were formulated after referring the concerned literature (Ministry of Finance 1971; Frey & Weck 1983; Chopra, 1985; Acharya 1986; Jain 1987; Johnson et al 1998; Ministry of Finance 2012, among others) and discussion with academic experts and practitioners. Non-probability snowball sampling has been used for the purpose of the present study. The sampling units include businessmen people with a minimum working experience of two years in their profession as the respondents. The respondents were selected from the four major cities of north-west region of income tax department (Amritsar, Jammu, Ludhiana and Shimla) along with the union territory of Chandigarh. The survey was conducted during the month of March

to June 2017. The present study employs exploratory factor analysis technique followed by confirmatory factor analysis and multiple regression analysis for investigation.

### Factor Analysis and Results

The following tests ensured the applicability of factor analysis. The scale was found to be reliable and consistent ( $\alpha = .782$ ). The appropriateness of factor analysis was examined in terms of Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy (.821) and Bartlett test of sphericity in terms of presence of significant correlations among variables. The present study employs principal component analysis method to obtain a minimum number of factors that will account for the maximum of the variance. Hair et al. (2015) state that “factor loadings in the range of  $\pm .30$  to  $\pm .40$  are considered to meet the minimal level for interpretation of structure”. Hence, all the variables with factor loading of 0.40 or above have been considered. A total of four factors accounting for 64.38% of total variance have been extracted. The final exploratory factor solution is summarized in Table 3.

**Table 3: Rotated Component Matrix**

	Component				Communalities
	1	2	3	4	
V1	<b>.755</b>	-.097	-.022	.014	.580
V2	<b>.807</b>	-.037	.010	-.055	.656
V3	<b>.794</b>	.079	-.009	.034	.638
V4	<b>.757</b>	.046	-.043	.084	.584
V5	<b>.798</b>	.002	-.061	.078	.647
V6	<b>.818</b>	-.028	-.037	-.012	.671
V7	-.117	.192	<b>.722</b>	.027	.572
V8	.012	.132	<b>.661</b>	-.070	.460
V9	-.043	.120	<b>.814</b>	.011	.678
V10	-.028	<b>.698</b>	.014	-.073	.494
V11	-.068	.362	<b>.634</b>	.082	.545
V12	.040	.185	<b>.782</b>	.069	.652
V13	-.024	<b>.839</b>	.225	-.038	.756
V14	.045	<b>.746</b>	.186	.036	.595
V15	.008	<b>.639</b>	.343	-.029	.526
V16	-.023	<b>.833</b>	.309	.003	.791
V17	.005	-.043	.025	<b>.933</b>	.874
V18	.104	-.039	.038	<b>.926</b>	.872
Variance explained	20.925	17.265	16.345	9.850	<b>64.384</b>

**Table 4: Factor Labelling**

Factor 1: Regulatory Burden

Factor 2: Detachment with Democratic Institutions

Factor 3: Improper Administration

Factor 4: Public Despair

Regulatory burden has emerged as the most important factor followed by detachment with democratic institutions, improper administration and public despair accounting for 64.38% of the total variance explained by the factor solution.

### Confirmatory Factor Results

The exploratory structure delivered by factor analysis was confirmed using the confirmatory analysis approach. For the said purpose, the structural model was built using AMOS 19.0. The application of CFA validates the exploratory model structure (CMIN/DF = 2.972 ; P = 0.000). All the major fitness indices (CFI (.923); GFI (.905); NFI (.889); RMSEA (.069)) were found to be appropriate. The factor structure was found valid and reliable. All the four constructs had composite reliability above the threshold level of 0.7. Similarly, convergent validity was established in terms of all values of AVE being greater than 0.5 (except regulatory burden). However, Malhotra & Dash (2011) hold that “AVE is a more conservative measure than CR. On the basis of CR alone, the researcher may conclude that the convergent validity of the construct is adequate, even though more than 50% of the variance is due to error”. Finally, discriminant validity was established with AVE found to be greater than MSV for all the four constructs. Table 5 presents the final statistics.

**Table 5: CFA Results**

	CR	AVE	MSV	MaxR(H)	Regulatory	Detachment	Improper	Public
<b>Regulatory Burden</b>	0.813	0.468	0.360	0.821	<b>0.684</b>			
<b>Detachment with Institutions</b>	0.879	0.549	0.009	0.923	-0.093	<b>0.741</b>		
<b>Improper Administration</b>	0.850	0.540	0.360	0.956	0.600	-0.036	<b>0.735</b>	
<b>Public despair</b>	0.860	0.755	0.007	0.966	0.066	0.082	-0.049	<b>0.869</b>

### Regression Results

The factor analytic results were further finally regressed to identify the extent to which the underlying dimensions reflect the satisfaction with the government’s efforts in fighting the menace of unaccounted income. Factor scores were regressed upon the dependent variable: the overall level of satisfaction with the tax compliance system.

The following hypotheses were examined:

**H1: There is no relationship between overall satisfaction and Regulatory burden (H1:β1=0).**

**H2: There is no relationship between overall satisfaction and Detachment with democratic institutions (H2:β2=0).**

**H3: There is no relationship between overall satisfaction and Improper administration (H3:β3=0).**

**H4: There is no relationship between overall satisfaction and Public despair (H4:β4=0).**

The formulation of hypothesis is followed by the specification of the model:

$$Y = \beta_0 + \beta_1F_1 + \beta_2F_2 + \beta_3F_3 + \beta_4F_4 + \mu$$

Where Y denotes the dependent variable, the overall level of satisfaction with the tax compliance system.  $\beta_0$  denotes the intercept,  $\beta_1F_1$  denotes the linear effect of F1,  $\beta_2F_2$  denotes the linear effect of F2, . . . and so on.

Meanwhile,  $\mu$  denotes the residuals or the error term. The application of multiple regression analysis explained a substantial amount of variance in the overall satisfaction with the tax compliance system (Adjusted  $R^2 = 0.569$ , i.e. 57% variance explained). The overall model (table VII) was found to be fit (F-Statistic: 7.099544, Prob (F-Statistic): 0.000016). The data was found normal (Jarque Bera: 24.59930, Prob: 0.253715) and all the co-linearity diagnostics were well within the limits. However,



the data was not found homoskedastic as revealed by Harvey test (F-Statistic: 2.589223, Prob (F-Statistic): 0.0364). Hence, heteroskedasticity was modeled using the White test.

**Table 6: Regression Results**

Dependent Variable: SATISFACTION

Method: Least Squares

Sample: 1 415

Included observations: 415

White Heteroskedasticity - Consistent Standard Errors & Covariance

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	3.239408	0.049476	65.47469	0.0000
SCORE1	0.023896	0.052993	0.450939	0.6523
SCORE2	0.049910	0.051124	0.976267	0.3295
SCORE3	0.250251	0.054716	4.573638	0.0000
SCORE4	0.095361	0.050055	1.905110	0.0575
R-squared	0.066289	Mean dependent var		3.256790
Adjusted R-squared	0.056952	S.D. dependent var		1.016320
S.E. of regression	0.986955	Akaike info criterion		2.823883
Sum squared resid	389.6318	Schwarz criterion		2.873314
Log likelihood	-566.8364	Hannan-Quinn criter.		2.843449
F-statistic	7.099544	Durbin-Watson stat		1.844027
Prob(F-statistic)	0.000016			

### Discussion and Conclusion

While making a comprehensive attempt on the issue of black money in India, the Direct Taxes Enquiry Committee Report (1971) noted that, "Today, even honest persons, who would normally prefer to keep themselves on the right side of the law, are unwittingly or unwillingly dragged into the quagmire of black money deals. These problems have in recent years become so acute that they seem to have shaken the confidence of the public in the tax administration." The above observation points that the effective fight against the problem calls for identifying its determinants and dealing with them in order to increase public acceptance and trust in the government and the role of tax administration. The present study is an attempt to identify such dimensions.

The regulatory burden as manifested by a perception of high tax burden with large number of regulations is considered a strong temptation for unaccounted income. In addition, society's lacklustre attitude in condemning such illicit and illegal acts also create an social atmosphere where tax evasion and choosing an 'exit option' from the system is not considered a social evil. There is a growing sense of distrust and detachment with the democratic institutions. The role of media in reducing the size of underground economy has been touched upon by Schneider et al (2003). Media plays an important role in raising a 'voice option' which if not raised effectively, as the results indicate, creates a sense of detachment of the people from the entire democratic setup. The lack of trust in the government regarding efficient utilization of public revenue is another area worth concern (Chugh & Uppal 1986; Kumar 2002). The resentment against high tax rates in U.S. in the 1980s is also much attributed to the then repeated disclosures of wastage and abuse of public funds in relation to civilian and defense expenditure programs. Loss of confidence in the functioning of the government along with wasteful and unproductive public expenditure tend to motivate otherwise honest taxpayers to choose an 'exit option'. Similarly, political intervention and interests have been

observed as responsible for generation of unaccounted income. The clout and patronage that politics provides law breakers plays a detrimental role in the working of deterrence and prosecution machinery. An ineffective prosecution and deterrence machinery creates a sense of “Make the hay while the sun shines” belief among rule breakers. The generation of unaccounted income has much to do with the political setup and administrative mechanism driven by structural issues and a desire to accumulate hidden wealth rather than the provision of such services. Neoliberal policies alongside retreat of the state in the number of public welfare activities have led people not to anticipate the government for the hard days.

Notably, important issues facing the Indian economy such as high inflation, poor state of public services, and high costs associated with compliance requirements were found to be another important dimension concerning the generation of unaccounted income in India. The simple desire to accumulate wealth through hidden means has also been observed to be an important criterion among people. A strong desire to accumulate wealth covertly specifies the cultural aspect in the society, wherein people wish to remain socially right but morally incorrect. Kar (2011) also identified the strong desire to accumulate hidden wealth as a strong temptation for illicit capital flight. As the results demonstrate, the growing illegality tends to detach people from the democratic institutions. It carries catastrophic consequences for the society at large. Hence, the need of the hour is to establish and strengthen the relevance of democratic institutions like the judiciary, legislature and executive branches of the government, and the media, through a comprehensive set of efforts and measures. It involves a long-term framework to bring equilibrium through a host of structural and administrative reforms. Similarly, the regression results reflect that only Score 3, i.e. Factor 3 (Improper administration) has been found significant at 5% level of significance. It implies that issues resulting in improper administration were found to significantly reflecting the overall level of satisfaction with the compliance system. However, an important observation is regarding the constant term, C, which has been found significantly affecting the dependent variable (Prob: 0.0000 with a high coefficient value of 3.239408). It implies the presence of certain other dimensions playing a significant role in affecting the overall level of satisfaction with compliance system which needs to be examined by future research efforts on the phenomenon itself.

### **Implications for Policy Makers**

Based on the survey results, the following efforts should be focused on the following areas to further enhanced tax compliance: 1) plugging the regulatory burden over taxpayers; 2) building public trust in governance and democratic institutions; 3) imparting tax morale in the educational curriculum; and improving administration to become responsive to public aspirations. To conclude, attempts towards enhanced tax compliance have to tread a fine line of building trust in governance by improvements in administration and moral standards in public life in the short run while creating a ecosystem in the long run where taxpaying is remunerated and aspired.

### **Endnotes**

<sup>1</sup>Study on Unaccounted Income/wealth both inside and outside the country, National Institute of Financial Management, Faridabad, India: 2012.

<sup>2</sup>On the basis of information provided to the authors by the Government of India under the Right to Information Act.

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## Moderating Effect of Workplace Spirituality on Role Stressor and Job Satisfaction among Indian Nurses

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### Abstract

Nursing shortage and migration of nurses from India to other countries is weakening the already dismal Indian healthcare system. Job dissatisfaction is one of the main causes of nurses' intentions to quit the profession and role stress is one of the main causes of nurses' job dissatisfaction. This study examines the relationship between some role stressors and job satisfaction among nurses in India and the moderating effect of workplace spirituality on this relationship. This study is non-experimental, cross-sectional and quantitative in nature. Survey method was used to collect data and questionnaire was used as a survey instrument. Cluster sampling technique was used. Correlation analysis and moderated hierarchical regression analysis were used to analyse the data. Workplace spirituality moderates the relationship between role ambiguity and job satisfaction, but does not moderate the relationship between role conflict and job satisfaction among nurses.

**Keywords:** Job satisfaction, Nurses, Role stress, Workplace Spirituality, Mumbai, India

### Introduction

Nurses are the most pivotal members of the healthcare sector and are the most trusted people who are approached by patients and their kin as well as physicians, to know the progress of recovery, as well as course of treatment of patients and hence quality of nursing service, takes on importance (Chung-Kuang, Cecilia, Shu-Hui, & Tung-Hsu, 2009). There is an increasing demand for nurses especially in developing countries and nurses migrate to other countries for professional, social and economic reasons (Gill, 2011). Nursing shortage has crippled the health care system of many countries (Snaveley, 2016). There are various reasons attributed to the shortage of nurses. One of the most important factors that affect nurses quitting the profession is job satisfaction (Masum, Azad, Hoque, Beh, Wanke, & Arslan, 2016; Chan, Tam, Lung, Wong, & Chau, 2013; Ramoo, Abdullah, & Piaw, 2013). Nurses who report high levels of dissatisfaction and burnout are more likely to quit the profession (Cai & Zhou, 2009; Lu, While, & Barriball, 2005).

When nurses leave their jobs or new nurses refuse to enter the profession, there is a shortage of nurses in hospitals. As a result, the existing nurses would have an increased workload to compensate

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for the shortage. An increased workload would imply a stressful situation for the nurses who would encounter situations with inadequate time for patient care, fatigue that makes them prone to making mistakes and/or medical errors leading to a drop in patient-care quality (Janiszewski, 2003; Chan et al., 2013) furthering the dissatisfaction among the existing nurses and the cycle would begin all over again. It is therefore imperative that nurses' satisfaction is looked into, in order to retain nurses and reduce their turnover.

Role stress is attributed as one of the main factors affecting job satisfaction among nurses. Role stress contributes to increased turnover, intention to quit the job and job dissatisfaction (Karatepe, 2010), reduced loyalty and decreased organisational economic health (Anton, 2009). Role stress can be explained as a situation where the role demands and expectations are vague, difficult or impossible to fulfil (Burke & Scalzi, 1988). When nurses are stressed they are prone to suffer from various physiological as well as psychological problems that range from mood disturbances, unhealthy lifestyles, depression and suicidal tendencies (McVicar, 2003; Tully, 2004). Hospitals also suffer due to high turnover among nurses, in terms of costs of recruitment and training of new nurses, loss of senior nurses and their invaluable experience, reduced productivity and decreased morale among other nurses (Mosadeghrad, 2013).

Life has become mechanical and the time spent in traditional places like places of worship and leisure time with extended families is being substituted by time at work, thus, reflecting the dependence of people on the workplace for social identity as well as a sense of community. Workplace spirituality is a concept catching researchers' attention (Ashmos & Duchon, 2000; Duchon & Plowman, 2005; Fry, 2004; Krishnakumar & Neck, 2002). It has been suggested that people come for work with a unique spirit and enthusiasm with an aim to express themselves, not merely as mechanical tools but as an individual with inner skills, talents, and unique strengths (May, Gilson, & Harter, 2004). A spiritual workplace has been described by Ashmos and Duchon (2000) as a place that enables employees to express their inner lives by performing meaningful work in the context of a community. To remain competitive in this globalised world, Organisations are increasingly expecting employees to achieve higher and many times, unrealistic targets thus rendering individuals insecure and unsure about their work lives. This mechanical pursuit of success, insecurity in jobs and scepticism about the future has resulted in individuals being demoralised and sensing a lack of purpose and meaning in their jobs (Kinjerski & Skrynpnek, 2004).

### **Literature Review**

**Role stress:** Role stress is the stress associated with one's role in the organisation. Role stress can be easily understood to be higher among nurses since they play multiple roles in response to expectations of multiple stakeholders. Role stress can lead to a number of physiological and psychological side effects. Chang, Hancock, Johnson, Daly, & Jackson (2005) suggested that the working climate of nurses required them to provide complex and quality care to patients with acute and chronic disease conditions with shorter hospital stays that caused enormous role stress leading to dissatisfaction with the job.

**Role stressors:** Role stress has been recognized as one of the main causes of burnout among nurses (Tunc & Kutanis, 2009). Iliopoulou and While (2010), in their study using convenience sampling on critical care nurses in Greece, on the relationship between professional autonomy and job satisfaction, found that there was no statistically significant relationship between role conflict and role ambiguity). A study on nurses in medical and surgical division in China, showed that job satisfaction had a strong negative correlation with role conflict and role ambiguity (Hong, While & Bariball, 2007). Chen et al. (2007), in their study on the relationship between role stress and job satisfaction in a convenience sample of 129 nurse specialists in Taiwan, found that role ambiguity

and role overload were the best predictors of job satisfaction but role conflict was not a statistically significant predictor.

There is a scarcity of availability of comprehensive data on stress among Indian nurses (Bhatia, Kishor, Anand, & Jiloha, 2010; Kane, 2009) and even lesser data on role stress among Indian nurses in the recent past. There are very few research studies on role stress among nurses in the Asian context (Younas, 2016). In a study on the relationship of occupational role stress and job satisfaction among staff nurses in a tertiary hospital in India, it was found that organisational role stress was negatively correlated with job satisfaction (Kumar, Kaur, & Dhillon, 2015). In a study on relationship between role stressors and burnout among female nurses in private hospitals in India, it was found that role overload and role insufficiency predicted 53.8% of variance in emotional exhaustion while 42.3% of variance in depersonalization was predicted by role overload, role insufficiency and role ambiguity (Azeem, Nazir, Zaidi, & Akhtar, 2014). In a study on 50 nurses of a hospital in India, it was found that organisational role stress was negatively correlated with job satisfaction (Das & Prasanna, 2014).

H1 Some role stressors, namely, role ambiguity, role overload and role conflict, are negatively correlated with job satisfaction of nurses.

**Workplace spirituality:** Workplace spirituality is an experience of a sense of community, interconnectedness and a connection to a higher goal by an individual at work (Marques, Dhiman, & King, 2007). Different researchers have expressed the concept of workplace spirituality through different components. Most of the conceptualizations of spirituality deal with a sense of meaning and purpose on the job, community at workplace, transcendent feelings and a belief in a higher power for doing a larger good and this need not necessarily imply religion-based practices (Ashmos & Duchon, 2000; Carrette & King, 2005; Liu & Robertson, 2011). Workplace spirituality has been found to be positively correlated with various organisational outcomes like job satisfaction, organisational commitment, and organisational citizenship behaviour in non-nursing context (Piryaei and Zare, 2013; Nwibere & Emecheta, 2012). In the nursing context, Doraiswamy and Deshmukh (2015), found that relationship between workplace spirituality (meaningful work, sense of community, inner life and organisational values) and role stress was negative. Kazeimpour and Amin (2012) in their study on the relationship of workplace spirituality and organisation citizenship behaviour of nurses in Iran found a significant positive correlation between the two ( $r = 0.401$ ,  $p < 0.001$ ). Meaningful work has been shown to be linked to worker satisfaction and increased motivation to work (Brown, Kitchell, O'Neill, Locklear, Vosler, Kubek, & Dale, 2001). Lack of social support from colleagues and demanding working conditions like working under severe pressure of time and work overload have been shown to be predictors of emotional exhaustion among nurses (Janssen, Jonge, & Bakker, 1999). Studies have also shown that efforts to create a healthy working environment of mutual support and a pursuit of joint values in a hospital, may prevent the development of emotional exhaustion in nurses (Kowalski, Ommen, Driller, Ernstmann, Wirtz, Kohler, & Pfaff, 2010).

Some research studies have indicated that a spiritual approach with an emphasis on values-based practice could help overcoming problems of morale among individual (Brown, 2003). Thus, it seems possible that a spiritual workplace may help in improving the productivity of nurses.

H2 Workplace spirituality moderates the relationship between some role stressors, namely, role ambiguity, role overload and role conflict, and job satisfaction among nurses.

## **Methodology**

The study focuses on nurses' perceptions of: 1) Some role stressors, namely, role ambiguity, role overload and role conflict in their jobs, 2) Some aspects of workplace spirituality, namely, sense of community, inner life, meaning at work and organisational values. 3) Job satisfaction consisting of components of intrinsic and extrinsic satisfaction. This study is non-experimental, cross-sectional and quantitative in nature. A survey research was conducted to collect information from school teachers. A questionnaire was used as the survey instrument for the said purpose.

**Sampling:** The target population of the study included all nurses from municipal as well as private hospitals in Mumbai. The inclusion criterion for hospitals was the presence of at least 70 beds and that for nurses was knowledge of English. Hospitals were clustered according to geographic zones of Mumbai. Five clusters were selected at random. Nurses were selected at random from representative hospitals of these clusters. Requisite permissions were obtained from the Dean (academics) of the hospitals (and in some cases the Ethics Committee) before the data were collected. 475 survey forms were distributed of which 450 were returned yielding a response rate of 94.7%.

**Data Collection:** Data collected included age, gender, marital status, total number of dependents, religious affiliation, nativity, type of hospital, department of work, tenure of service in the current hospital as well as total tenure, shift type, shift hours, job type and job title.

### **Instruments:**

Role conflict and role ambiguity were measured using a 5- point Likert scale (1 = never, 5= always) with 6 items each (Rizzo et al., 1970).

Role overload was measured using a 5- point Likert scale (1 = never, 5= always) with 5 items (French et al, 2000; Udai Pareek, 2010).

Job satisfaction was measured using 12 items that were developed based on literature review, using a 5- point Likert scale (1= strongly disagree, 5= strongly agree).

Workplace spirituality was measured using a 7- point Likert scale (1= strongly disagree, 7 = strongly agree) with 28 items (Ashmos & Duchon, 2000).

### **Sample description:**

A total of 450 nurses responded to the questionnaire. The sample consisted of nurses from both private hospitals (68.7%) as well as municipal hospitals (31.3%). The nurses were mostly females (86%) and 54% were unmarried. The nurses in the sample had 3 dependents on an average. The mean age of the nurses was 31.73 years (standard deviation 9.92). 14% of the nurses worked exclusively during the day while 86% worked both on day and night. shifts. 61% possessed a diploma in nursing, 34 % possessed a graduation in nursing and 5% possessed a post-graduation in nursing. The nurses had an average tenure of 7.3 years of total nursing service and were on an average 5.48 years old in the current hospital. The nurses worked on an average 9.4 hours daily. The chief religious affiliation among the nurses was Christianity followed by Hinduism and most of the nurses hailed from south of India.

### **Data Analysis**

SPSS 19 was used for the analysis.



**Normality and Collinearity Statistics**

Data was checked for normality and it was observed that the maximum absolute values of skewness and kurtosis are well below 2 and 7 respectively, hence data is assumed to be normally distributed (Dubey, Gunasekaran, & Samar Ali, 2015; Kim, 2013; Curran, West, & Finch, 1996) (see Table 1). To ensure that data did not suffer from multicollinearity variance inflation factors were calculated (VIF). All VIF values were less than 2, which is well below the recommended threshold of 10 (Hair, Anderson, Tatham, & Black, 1995). hence data does not show evidence of multicollinearity (see Table 2)

**Table 1: Means, Standard deviations, Skewness and Kurtosis (n = 450)**

Variable	Mean	Standard Deviation	Skewness	Kurtosis
Role ambiguity	10.04	4.46	1.893	3.342
Role overload	10.17	2.47	-.368	.318
Role conflict	21.85	6.34	.025	-.828
Job satisfaction	43.58	6.76	-.253	.635
Workplace spirituality	149.42	20.37	-1.250	2.030

**Table 2: Collinearity statistics (Coefficients<sup>a</sup>)**

Model	VIF
Role ambiguity	1.016
Role conflict	1.43
Role overload	1.443

a. Dependent variable: Job satisfaction

**Validity Studies**

The workplace spirituality scale (Ashmos & Duchon, 2000) was checked for construct validity in the Indian context. Convergent validity was confirmed for the same, because the standardized factor loading of each item is above 0.5, the scale composite reliability (SCR) is above 0.7 and the average variance extracted (AVE) is also above 0.5 or very close to 0.5 (Fornell & Larcker, 1981) (See Table 3)

**Table 3: Convergent validity for workplace spirituality scale (n= 450)**

Variable	Subscales	SCR	AVE
<b>Workplace spirituality</b>	Sense of Community	.88	.49
	Inner life	.83	.50
	Meaning at work	.89	.56
	Organisational values	.90	.56

Discriminant validity of Workplace Spirituality Scale is established as correlations between any two dimensions are lesser than their individual Cronbach Alpha values (Andaleeb & Conway, 2006; Richey, Genchev, & Daugherty, 2005; Gaski & Nevin, 1985) (See Table 4)

**Table 4: Discriminant validity for workplace spirituality scale (n= 450)**

Component		Sense of community	Inner Life	Meaning at work	Organisational values
<b>Workplace spirituality</b>	Sense of community	.852			
	Inner life	.429**	.74		
	Meaning at work	.624**	.489**	.867	
	Organisational values	.602**	.352**	.651**	.85

Diagonal entries are Cronbach Alpha coefficients; others are correlation coefficients.

\*\* Correlations are significant at 0.01 level

### **Factor Analysis**

Factor analysis was conducted on the role stress scale since it consisted of items from the Rizzo et al. scale as well as ENSS (French et al, 2000) and ORS (Pareek,(2010).The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.856, above the recommended value of 0.6, and Bartlett's test of sphericity was significant ( $\chi^2 (120) = 288.2, p < 0.001$ ). Principal component analysis with varimax rotation showed that the three-factor solution explained 57.09% of variance, with factor loadings from 0.565 to 0.903 (see Table 5)

**Table 5: Factor loadings and communalities based on a principal components analysis with varimax rotation for 12 items of the Role stress scale (n = 450)**

	Components			Communalities
	1	2	3	
I know what my responsibilities are	.903			.827
I know exactly what is expected of me on the job	.841			.707
I have clear planned goals and objectives for my job	.813			.675
I know that I have divided my time properly for various work	.755			.584
I get clear explanations of what has to be done on the job	.646			.474
I feel certain about the authority I have	.619			.402
I receive important incompatible requests from 2 or more people		.783		.637
I work with 2 or more sections that operate differently		.730		.535
I have to break a rule or policy in order to carry out an assignment		.719		.550
I do unnecessary work		.717		.610
I have to make decisions under pressure		.577		.568
I have to do things that should be done differently		.568		.411
There is not enough time to complete all of my nursing tasks		.556		.420
I have to work even during breaks			.753	.600

The amount of work I do interferes with the quality I want to maintain			.708	.517
There are too many non nursing tasks required like clerical work			.651	.619

Note: Item , "I receive assignments without adequate resources, men and material to do the work", failed to load on to any factor and hence was rejected.

The first component is named Role ambiguity, second component, Role conflict and third component, Role overload.

Factor analysis was also conducted on the job satisfaction scale. The job satisfaction scale consisted of 12 items, six items each of intrinsic satisfaction and extrinsic satisfaction, from literature review. Factor analysis was conducted to ensure that the items of the scale indeed referred to the theoretical construct of intrinsic and extrinsic satisfaction. The factorability of all 12 items was examined. The Kaiser-Meyer-Olkin measure of sampling adequacy was 0.824, above the recommended value of 0.6, and Bartlett's test of sphericity was significant ( $\chi^2 (66) = 2294, p < 0.001$ ). Principal component analysis using Varimax rotation revealed a two-factor model that explained 56.73% of the variance, with factor loadings ranging from .567 to .828. (See Table 6)

**Table 6: Factor loadings and communalities based on a principal components analysis with varimax rotation for 12 items of the Job satisfaction scale (n = 450)**

	Components		Communalities
	1	2	
I am proud of my job	.828		.691
I find my job meaningful	.820		.675
I am satisfied with opportunities for self-improvement from my job	.797		.682
I can derive a sense of achievement from my job	.791		.636
My job helps me utilize all my abilities	.730		.534
I have enough chances of growth on my job	.679		.524
I get along well with my colleagues		.794	.635
I am satisfied with the working conditions (cleanliness, toilets, washing, changing and restroom facilities)		.740	.591
My work is well appreciated		.711	.573
My supervisor shows concern for feelings of subordinates		.668	.447
I can work comfortably under existing rules and regulations		.648	.460
I am satisfied with the salary I get, for the amount of work that I do		.567	.361

### Result and Discussions

We have proposed that some role stressors, namely, role ambiguity, role overload and role conflict will be negatively correlated with job satisfaction of nurses.

A correlation analysis was conducted to test the same and the Pearson's product moment correlation coefficient was used for the said purpose (see Table 7).

**Table 7: Correlations between role stressors and job satisfaction (n = 450)**

	Role ambiguity	Role overload	Role conflict
Job satisfaction	-.235**	-.159**	-.321**

\*\* Correlation is significant at the 0.01 level (2 tailed)

*H1 was supported as all the three role stressors are negatively correlated with job satisfaction.*

Multiple regression analysis was conducted to understand the contributions of the predictors. Role conflict was the most significant predictor ( $b = -.339, p < 0.001$ ), followed by role ambiguity ( $b = -.263, p < 0.01$ ) (see Table 8). Role overload was not a significant predictor of job satisfaction.

**Table 8: Multiple regression analysis (n = 450)**

Model	B	SE <sub>B</sub>	$\beta$	Sig
Constant	55.671	1.539		
Role ambiguity	-.399	.066	-.263	.000
Role overload	-.016	.142	-.006	.912
Role conflict	-.362	.055	-.339	.000

Role ambiguity was found to be negatively correlated to job satisfaction among nurses in previous research studies in Chinese (Hong, While, & Barriball, 2007 ( $r = -0.231, p < 0.01$ ), and Taiwanese contexts (Chu, Hsu, Price, & Lee, 2003 ( $r = -0.327, p < 0.001$ )). The results of the current study are similar to that obtained in a study on Chinese nurses where role conflict was found to be negatively correlated with job satisfaction of Chinese nurses (Hong, While, & Barriball, 2007 ( $r = -0.358, p < 0.01$ )). The results of the current study are different from those of a research study conducted on Greek nurses where role ambiguity and role conflict were not significantly related to job satisfaction. (Iliopoulou & While, 2010 ( $r = 0.047, p = 0.411$ )), the reasons attributed were the differences in data collection method in the Greek context. The current study found that role conflict was the strongest predictor of job satisfaction followed by role ambiguity. These results are different to those obtained by a study conducted on Taiwanese nurses (Chen et al., 2007 (role ambiguity:  $\beta = -0.358, p < 0.001$ ; role overload:  $\beta = -0.292, p < 0.0$ )), where role ambiguity and role overload were significant predictors of job satisfaction. In the study on Taiwanese nurses by Chen et al. (2007), but role conflict was an insignificant predictor of job satisfaction. In the current sample, nurses who are around five years old in the hospital might have got used to the overload and might have accepted it as a norm and hence overload does not seem to be a strong predictor. Also since India is mainly a collectivist society, it is not uncommon for nurses to agree and accept to perform tasks that do not fall within their domain or oblige other colleagues by doing their jobs in an attempt to be helpful and feel a sense of belongingness in the group. This result is similar to a study conducted by Chang and Hancock (2003) on Australian nurses, wherein, after around 10 months role overload was not a significant predictor of job satisfaction among nurses as they had got accustomed to the overload.

We have also proposed in the current study that workplace spirituality will moderate the relationship between some role stressors and job satisfaction of nurses. Since role overload is not a significant predictor, the moderation effects were checked only on the relationships between role conflict and role ambiguity and job satisfaction.

A moderated hierarchical regression analysis was conducted to test the same (see Table 9). To check the moderation effect of workplace spirituality on the relationships of role stressors on job satisfaction of nurses, moderated regression analysis was performed. Moderated regression analysis has been suggested as a method to check interaction effects (Dawson, 2014; Aguinis & Gottfredson,

2010). Before the analysis, the independent variable (role stressors) and the moderator variable (workplace spirituality) were centered (Dawson, 2014). This involved subtracting the respective means from the values of the original variables. The interaction term was obtained by multiplying the centered predictor variable and centered moderator variable.

Centering helps in decreasing problems associated with multicollinearity among variables (Frazier, Tix, & Barron, 2004; Cohen & Cohen, 2003).

**Table 9: Moderated Hierarchical Regression Analysis**

	B	SE <sub>B</sub>	B
<b>Step 1</b>			
Constant	23.148	2.703	
Role ambiguity	.009	.064	.006
Role conflict	-.318	.039	-.298***
Workplace spirituality	.183	.014	.550***
<b>Step 2</b>			
Constant	24.417	9.361	
Role ambiguity x Workplace spirituality	.008	.002	.147**
Role conflict x Workplace spirituality	-.003	.002	.055

It can be seen from Table 9, that workplace spirituality buffers the relationship between role ambiguity and job satisfaction of nurses ( $\beta = .147$ ,  $p < .05$ ) but does not have any moderating effect on the relationship between role conflict and job satisfaction. Thus H2 is supported to the extent that workplace spirituality moderates the relationship between role ambiguity and job satisfaction of nurses, but shows no moderating effect on the relationship between role conflict and job satisfaction of nurses.

Role ambiguity is a situation where the nurse lacks clarity in terms of what she/he needs to do as well as feedback about her/his performance. Nursing profession suffers from ambiguities because it is a shared one and occurs subsequent to somebody else's job (physician or previous shift nurses). So, if a nurse were to lack information or communication about the line of treatment or any special needs of a patient, there could be confusion in the next steps. Many times nurses have to respond quickly and alone to several emergency situations like violence from the patient and his kin or psychological issues of a patient. Absence of enough support and communication from superiors and colleagues would only lead to anxious moments of what needs to be done and doubts whether what has been done has been correct (Tella, Anttila, Kontio, Adams, & Välimäki, 2016; Camuccio, Chambers, Välimäki, Farro, & Zanotti, 2012).

At higher scores of workplace spirituality, the sense of community and belongingness is very high and the nurse perceives greater support and camaraderie. Many times more than the written communication, informal communication, like speaking over the phone or seeking oral clarification in corridors, discussions in the canteen, helps in understanding the situation better (Goris, Vaught, & Pettit, 2000). Thus, at higher scores of workplace spirituality nurses seem to perceive formal and informal channels of communication to be open and accessible and they do not hesitate to ask for clarification for solving work related problems. This enhances a sense of group support and provides the nurse with the much-needed trust and help in her work related problems. This results in the nurse being more confident and reassured of her actions thus increasing satisfaction levels.

Nurses may encounter situations where their ability to do the right thing may be hampered by the values and ethical beliefs of the organisation that may be contradictory to what the nurses hold. In

situations where there is a conflict of values, the ambiguity is very high in terms of what needs to be done. A morally responsible nurse with strong personal values would stick by his/her moral principles while performing her tasks (LaSala & Bjarnason, 2010). If the nurse sees her senior or superior behave otherwise, it sends a very ambiguous message. If there is a conflict of values held by the nurse and those espoused by the organisation, ambiguity increases, making it difficult for a nurse to decide on her actions during emergency situations or even otherwise. Unless higher authorities support morally right actions, it could lead to disgruntlement and dissatisfaction among nurses and seriously hamper their functioning in hospitals. At higher workplace spirituality scores the nurses perceives harmony between her values and organisational values and the concept of shared values and principles of rights and wrongs are strongly adhered to. This makes situations clear for the nurse to act according to what is right without worrying about the repercussions. These could be possible reasons why a nurse perceives an increase in job satisfaction at higher levels of workplace spirituality, with additional role ambiguity.

Workplace spirituality, on the other hand, fails to moderate the relationship between role conflict and job satisfaction of nurses. There could be various reasons why workplace spirituality does not play a moderating role. There could be various factors that might be influencing the ability of nurses to actually benefit from the effects of high levels of workplace spirituality. Berg, Grant and Johnson (2010) have suggested that individuals who view their jobs as calling are likely to alter their responsibilities (add or delete tasks) in an attempt to fulfil the inner calling. This is a situation termed job crafting. Job crafting is a set of proactive changes (physical or cognitive) that an employee makes to his / her job either at task level or relational level of the job (Wrzesniewski & Dutton, 2001). Job crafting is an attempt made by the individual to make his otherwise boring and routine job, more interesting, meaningful and engaging (Wrzesniewski, LoBuglio, Dutton, & Berg, 2013). Previous studies have suggested that nurses utilized opportunities at their jobs to customize their tasks and their interactions with others in an attempt to make their jobs more meaningful and satisfying (Benner, Tanner, & Chesla, 1996). An employee's productivity and interest in the job depends greatly on the design of the job. Nursing is a profession with huge demands but very low control. Nursing is associated with strong passions with emotional inclinations towards work related activities and customers, namely patients.

At high scores of workplace spirituality, a nurse perceives greater meaning at work. In such situations, nurses may possibly be viewing their tasks to be holistic and would like to be advisor and advocate of total patient care rather than just an implementer of the line of treatment a physician sets for the patient. In such a case the nurse is bound to change her perception of her job. Nurses have a sound understanding of the situation of any patient. This is strengthened by virtue of their association with physicians, contact with a variety of patients, professional training in the field and being associated with several lines of treatments. It may be possible that nurses may assume the role of a physician and educate and inform the patients and their kin about various aspects of the disease and its line of treatment. Many nurses who are fanatically involved in their jobs also feel obliged to go out of their way to solve patient problems and thus take on roles over and above the ones assigned to them by the hospitals. These behaviours possibly give the nurse a feeling of being a true care provider and a greater sense of meaning at work. In such above situations where a nurse resorts to job crafting, it would certainly enhance her satisfaction for a while but would increase her workload because she would be going out of her way to perform certain tasks that help her gain a psychologically meaningful experience at work. In an attempt to obtain a meaningful experience of her routine job, a nurse might be stepping into the shoes of physicians and other colleagues. As per rules of the hospital the nurse has certain boundaries to her job and she has to abide by these regulations but her role as a nurse and a holistic care giver makes her go beyond the official job descriptions giving rise to serious conflict between her roles as an employee and as a nurse.

India is essentially a collectivist society that emphasizes values of social cohesion, harmony and interdependence (Chadda & Deb, 2013). Indians have an interdependent self-construal (Matsumoto, 1999) and the main intention of an interdependent self-construal is to maintain a cordial harmonious relationship with others and one does this by either being subservient to others in the group or by creating a position for oneself where others would agree with one's decisions and opinions. An interdependent self-construal will always be reserved in expressing one's true feelings and aspirations especially if they were to be frowned upon by group members. This endeavour to maintain harmony in the group and remain within the group, would mean subordinating oneself to the group (Kitayama, 2008). India scores higher than the world average on power distance index (Hofstede, 1980). This means that there is a clear hierarchical difference between superiors and subordinates and the subordinate does not have the freedom to oppose a superior's instructions. When a nurse perceives conflicting demands from her seniors or colleagues, she might be feeling obliged to help due to the above mentioned factors and hence the conflict continues to remain. All these aspects would make it difficult for nurses to refuse her superiors or her colleagues and continues to experience role conflict.

Another possible explanation for this result could be the source congruence theory (Mayo, Sanchez, Pastor, & Rodriguez, 2012; Blau, 1981). This states that if the source of stress is the same as the source of support then it creates an uncomfortable and unproductive situation. Beehr, Farmer, Glazer, Gudanowski, & Nair (2003) further suggested that when the source and support of the stress were the same two conflicting situations would arise that would enhance the stress situation. Any change in responsibilities or tasks performed by a nurse is controlled by the supervisor. So any kind of instruction in changes of tasks or conflicting demands also essentially comes as an official or unofficial instruction from supervisors. At higher scores of workplace spirituality the nurse is bound to experience support from the supervisor due to enhanced sense of community. In such a situation when the supervisor tries helping the nurse and suggesting ways of coping, the nurse will not perceive this to be a genuine and a sincere support as the stress is source congruent with supervisor support. Thus despite perceiving a higher sense of community, the nurse is unable to get relief from the situation and continues to experience role conflict.

### **Implications**

Role ambiguity and role conflict are the significant predictors of job satisfaction in the current study. It is essential to enable nurses to experience role clarity to make sense of what is important for them. Induction training programmes as well as mentoring programmes are suggested where senior nurses, physicians and retired nurses can inform new or junior nurses about the rules and regulations of the hospital, unique aspects of nurses' roles and decisional boundaries of nurses' roles. Role clarity should not be a one-time task but there has to be repeated communication regarding the same. Informal small group meetings can be scheduled with 10-12 nurses who can come together to discuss work-related issues. These groups can be led by senior nurses who would clarify roles, goals and responsibilities for the new or junior nurses. Mentoring by very senior nurses, matrons, retired nurses and physicians can also prove to be very useful in role clarification, goal clarification, discussion of some complicated or grey areas as well as in allaying fears of the junior nurses.

Workplace spirituality has potential benefits for any organisation and it is essential that hospitals also transit into a spiritual workplace. Workplace spirituality buffers the relationship between role ambiguity and job satisfaction resulting in an increase in satisfaction at higher levels of workplace spirituality with additional role ambiguity. There are various aspects like job crafting, conserving of resources and source-congruence theory that may possibly explain the reason why workplace spirituality does not moderate the relationship between role conflict and job satisfaction. Nurses typically do a large amount of non-nursing tasks that do not provide them with psychologically

meaningful experiences that are commensurate with the educational and technical skills that they possess and thus they resort to job crafting to perceive greater meaning and enrichment at work. To prevent this, nurses should be involved in clinical decision-making processes that would empower them and also elevate their social image. In addition, nurses can also hone their other strategic skills like providing ideas on how to improve nursing service or patient satisfaction or maybe even get into research work, by providing them some time away from their routine ward duties. This will challenge them in a different way but would help them be grounded in their core skills. These suggestions could help nurses find their jobs to be meaningful, enriching and satisfying.

### Limitations

The study is limited by its cross-sectional nature that captures respondents' ideas at a single point of time that may not explain the situation in its holistic form. Also the study is constrained geographically so generalisability of results is difficult.

### Future Research

Future research can include leadership styles, organisational policies and organisational culture as moderating variables. A triangulation study that includes quantitative data and in-depth interviews can be more useful in indicating deeper insights into the topic. The study can be conducted on doctors, policemen and bereavement counsellors who are also involved in human intensive professions and results could be compared with the current study.

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## **Developmental State and the Politics of State-Society Relations Influencing Urban Growth in the 21st century**

**Sukanya Bharadwaj\***

### **Abstract**

The concept of developmental state has been transformed over the course of the last thirty years. The notion of the developmental state has been one of the most celebrated and magnetic concepts in development theory and governance now. The successes of the East Asian countries not only brought the concept into vogue in the 1980's and 1990's but changed the conventional notions of having a single predetermined route to development. It challenged the attributes of democracy itself being the road leading to developmental success. While placing the State at the centre of the discourse on development, it is really the capacity of the State to penetrate society and extract resources to become a strong State. Urbanization has always been a part of this development process but now the pace of urbanization poses an unprecedented managerial and policy challenge in India and many East Asian countries. The problem however, becomes much more prominent when it comes to countries like India, where the web like society is heterogeneous and plural, so social control by the State becomes much more fragmented and difficult.

**Keywords:** Developmental State, Politics, State-Society Relations, Urban Growth

### **Introduction**

The theoretical and empirical work around the 'developmental State' theme has transformed this concept into a general ideal type whose relevance now transcends the East Asian States. The key focus of the developmental debates brought in by the East Asian nations was the success of economic transformation in these countries as it provided a coherent counter to the dominant neoliberal narrative that describes the market as the predominant institution underlying growth and development (Evans, 2012). Since the mid 1980's there has been a keen debate in development studies and international political economy over whether the state or the market is the key factor in explaining the undeniable economic growth and industrial transformation that have occurred recently in the East Asian countries. However both the statist and the neoclassical theories have been incapable and insufficient in explaining the economic outcomes in Asia.

This paper seeks to explain the concept of the developmental state, examining the change in the concept of 'developmental state' over time. It seeks to explore the larger question of whether and how the developmental states combine the elements of an effective state and inclusive development. More importantly this paper explores how the state society relations impact the

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trends and processes of urbanization which happens to be one of the key processes affecting Asian development in the 21<sup>st</sup> century. It highlights the interaction between state and civil society (state-society synergy and independence) both playing a critical role in the twenty-first Century State to effect inclusive development while accelerating urban growth and economic development.

The immediate consequence of industrialization and economic growth has been the massive migration of population towards urban centres. In the context of the changing meaning of the developmental state, it is important to explore the politics of urban growth in transitional societies particularly the newly emerging late industrialized economies who have been late adopter of urban policy. How the dynamics of state society relations differs in the East Asian countries than the older industrialized democracies which impacts their patterns of urbanization as well. This includes countries like Korea, Japan, China, etc.

Most of the literature around developmental State earlier had focused around economic growth and industrialization as the key aspects in understanding and achieving development. Development involves a lot more than economic growth and that variations in economic growth reflect more than underlying variations in industrial growth. Despite variations by country and by region, the predominant urban political-economic pattern throughout the industrialized world was one of urban growth and economic development. In the late nineteenth and early twentieth centuries there was massive migration of population towards urban centers along with industrialization and economic growth across Western Europe and North America. In some developing countries what is interesting is how the industrial transformation has also helped the state's economy to promote equity, addressing other areas of concern like agricultural growth and income distribution (Kohli, 2004).

One of the central debates around developmental state has focused on the controversy over how much the states should intervene in the market and the role it should play in promoting development. The nature of the role of the state continues to be argued over. As Kohli (2004) argues how states in countries of Asia, Africa and Latin America being active economic actors has engaged in varying patterns of state intervention and this intervention itself has proved to solve certain economic problems while ignoring others and also creating new ones. The consequence of rapid industrialization and urbanization in many developing countries since the 1960s with accumulation of capital and resources within cities has brought parallel issues of growth and sustainable development to the fore. At the same time transitional societies have experienced economic prosperity and urban growth, socio economic change there has brought about the rise of urban middle class, and political change has contributed to the emergence of citizen groups and democratic politics (Park et al., 1999; Shatkin, 2004; Wu 2003; Zhang, 2002).

A number of accounts highlight that the local business elites and economic organizations are crucial to economic development and local growth in developing and transitional societies, but in a different and distinctive manner than the developed countries of North America and Western Europe (Evans, 2002, Wu, 2003). It is only a closer scrutiny of urban dynamics in these societies that needs to take into account the major contextual contrasts in capitalist systems, state-society relations, the nature of local businesses and the temporal context of urban policy (Clark, 2000, Evans, 2002).

The role of the State continues to be argued over. As Evans (1995) points out in his book 'Embedded Autonomy' the question not being how much State intervention but of 'what kind'? This is as Routley (2012) rightly asserts, is in terms of examining the social and political aspects of what has worked, rather than discussing in detail the industrial policies, market liberalization and the contestations of State interventionist perspectives. Evans (2012) argues that the role of the

developmental state has changed due to the change in development theory. <sup>1</sup>Amartya Sen's (1999) capability approach seems to converge with the modern understanding of growth.

Evans states:

...traditional mid twentieth century economic thinking was often read as arguing that the accumulation of capital was the driver of growth and growth was the cause of improvement in health, education and well-being. Current research on economic growth emphasizes improvements in human development indicators as causing growth in income (Evans 2012, 5).

### **The Developmental State: Meaning and Background**

While Evans (2012) expands the very notion of development in the context of the developing world, firstly it is important to understand the meaning and the background to the concept of the 'developmental state'. "A developmental State has sufficient state capacity to be effective in its targeted areas and has a developmental vision such that it chooses to use this capacity to work towards economic development" (Routley, 2012, 8).

Leftwich (1995) defines developmental states as states whose politics have concentrated sufficient power, autonomy and capacity at the centre to shape, pursue and encourage the achievement of explicit developmental objectives, whether by establishing the conditions and the direction of economic growth, or by organizing it directly or a combination of both. Basically stating how developmental objectives of the institutional structures have been politically driven. These conditions that are promoted or established as Leftwich (1995) elucidates, are the characteristics that distinguish a developmental state, which possesses a determined developmental elite who have intimacy and linkage of the bureaucratic (civil and military) and political components, like in Japan. Leftwich illustrates with examples of Prime Minister Lee Kuan Yen in Singapore, President Khama and Masine in Botswana, etc.... In Malaysia the close links between the civil service and political elite has resulted in a high degree of civil service influence in policy making. Therefore stating what a pivotal and crucial influence the bureaucracy may have in developing policy for pursuing developmental objectives in a State.

The implicit idea of a developmental state can be traced to theories put forward by Friedrich List (1885) who argued that the less advanced nations needed to use their state led approach to catch up with the advanced nations in order to accomplish the economic development of the nation and to prepare it for admission into the universal society of the future (Leftwich 1995). The extraordinary economic success of East Asian countries- especially Japan, South Korea and Taiwan- in the post-war period raises both scholarly and practical inquiries regarding the question, "How did those 'backward' countries accomplish such unprecedented fast economic growth, although in fact, the fundamentals of their industrialization strategies and policies were similar to other developing countries?" (Amsden, 1989; Gerschenkron, 1962).

The conventional argument regarding East Asian economic miracle was that the countries faithfully followed market principles in their industrialization process. However, in truth, tremendous economic growth in these countries was the result of a different pattern of management of institutions on which rapid industrialization was based. Unlike earlier industrializers such as the UK

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<sup>1</sup> Sen (1999, 18) argues that "well-being" involves more than increasing contentment or reducing suffering; it involves the capacity of human beings to do the things that they want to do. Thinking in terms of "capabilities" rather than just "well-being" draws our attention to the fact that human capabilities are both ends in themselves and the key means to intermediate goals, such as economic growth and the construction of democratic institutions that help us to "lead the kind of lives we value".

and the US, the strong state intervention in the markets of these late developing countries worked exceptionally well to subsidize, monitor, and guide the private sector in achieving economic growth (Amsden, 1989, Pempel, 1999, Woo-Cumings, 1995).

Johnson (1991) describes the political objective of the Japanese developmental State first understood as fulfilling its nationalist objective as a late developer concerned to protect and promote itself in a hostile world and arising from the desire to achieve the status of other developed nations by taking part in industrialization which enables a nation to compete globally and be treated as an equal.

The developmental State is essentially a model of a particular type of State first laid out by Chalmer Johnson (1991) whose ideal model of the Japanese developmental State, was pre-eminent in setting substantive and economic goals, as it has been a “plan oriented market economy’. Johnson argues that the Japanese developmental state was the power and autonomy of its elite bureaucracy centered in Ministry of Finance and the Ministry of International Trade and Industry. But the Japanese state was mainly characterized by agreed policy goals determined by the bureaucratic elite rather than the politico-legislative elite. As Johnson puts it describing Taiwan...” the politicians reign and the State bureaucrats rule” (Johnson, 1991, 32). Parallel to accounts of the Japanese economic miracle from the 1950s to the 1960s, work on Korea also demonstrates how ubiquitous and highly capable bureaucrats controlled the national finance and monetary system through the Economic Planning Bureau (EPB) and the Korea Bank (Bae, 2007).

### **Concept of Autonomy and the Success of the Developmental State**

The concept of relative autonomy would mean that the State has been able to achieve relative independence from the demands of special interest groups i. e. class, regional, sectoral and override these interests in the larger putative national interest. It is the relative autonomy of the elites and the state institutions which they command. However, this autonomy here does not mean isolation but in Evans (1989) is more like ‘Embedded Autonomy’ which means that despite the power and autonomy of state bureaucracies, they have become embedded in a progressively dense web of ties with both non-state and other state actors (internal and external) through which the state has been able to co-ordinate the economy and implement developmental objectives. (Evans, 1989; Leftwich, 1995).

Britain, Germany and the United States which experienced industrial revolution in the late eighteenth and nineteenth centuries relied upon continuous ‘invention and innovation’ of technological knowledge. In contrast, backward countries in the twentieth century did not have such foundations and resources of technological advancement. Those which succeeded in transforming their industrial and economic structure to raise productivity employed ‘borrowed’ knowledge from the earlier industrializers (Amsden, 1989). In applying this knowledge to the development of production technology and capital resources, these countries relied upon the intervention of a powerful state (Gershenkro, 1962, Hill and Kim, 2000).

As developmental state theorists have argued, highly educated and experienced state bureaucrats mobilized and allocated resources to firms selected for their competitive advantage against industries in advanced countries-especially export oriented companies (Evans 1992). Bureaucrats were not only executors of the will of lawmakers but setters of national goals and standards, and the standards they drew upon international experience (Pempel, 1999, Woo Cumings, 1995). The late industrializers rapidly emerged in the global market place that the advanced economies had already established and posed strong challenges to them with cheaper labour forces and competitive products.



The internal autonomy of some of the States like Korea in relation to their society has been strengthened also by the inflow of large amount of foreign aid loans (especially from the U.S) and the State directed private investment also reduces the government's dependence on locally generated revenue capital. Thus, channelling of both aid and these private loans through State machinery simultaneously enhanced its development capacity and autonomy.

What differentiates the success of the East Asian Capitalist developmental State is the economic bureaucracy which wields real power, authority, technical competence, insulation in shaping developmental policy- e.g. Taiwan and Korea. These developmental states are characterized by generally a weak civil society which appears to be the continuity of developmental states. But paradoxically after the economic success of these states it has promoted the growth of potentially active civil society. Leftwich (1995) asserts that the successes of the States have helped to stimulate demands for decentralized decision making, greater individual liberty and the establishment of democracy which may raise questions about the future of the developmental States.

It seems almost ironical and surprising that while many scholars are of the view that vibrant civil society, democracy, public deliberation is the only route to enhancing capabilities and managing the negative impact of poverty, globalization through equitable distribution. According to Routley (2012, 33), Korea and Taiwan which initially had a weak and subordinated civil society and took a non-democratic route through the bureaucratic state apparatus achieving relative autonomy, have been maximizing their capability expansion in the neo-liberal era. Evans (2012) argues that these states even in their initial drives for industrial transformation have been pioneers in capability expansion renowned for their levels of investment in human capital.

#### **The Politics of Urban Growth in Korea and its State- Society Relations**

The Korean case demonstrates the legacies of statism playing a crucial role in the gradual evolution in the politics of urban development in Korea from the 1980s to the end of the 1990s. Koyang as it exists today is a product of the decision of the authoritarian central government of the 1980s to develop new towns outside the Seoul Metropolitan Areas to relieve overpopulation and environmental degradation. This successful policy drew partly on the experiences of western democracies, especially the UK. After the mid-1990s, when democratization at the national level led to the institutionalization of local democracy in Korea, the conjuncture of ongoing economic and political the urban growth politics in Korea that was both similar to and different from the case of the United States and Western Europe.

Over the 1980s, with the decentralization of planning and other authorities in France, the local politics for growth also shifted from a statist to a market-oriented pattern that more closely resembled arrangements in U.S cities (Levine 1994; Sellers 2002). As in France, the combined effect of the institutional legacies of the Korean developmental state and democratization has generated pro-growth coalitions around the mayor rather than rentier interests. Even as the mayor increasingly occupied the pivotal position in the pro-development coalition, hierarchical supervision by supralocal governments persists. The newly elected mayor in Koyang endeavoured to develop the city by attracting national facilities or businesses. Rentiers and local businesses became strong supporters to the mayor's policy, but their influence was limited. As a consequence, the pro-growth coalition in Koyang became a mayor-centered coalition.

In Korea, the contemporary industrial development-especially in high-tech industries-spawned an educated middle class like that of the post-industrial U.S and European societies. This development proved crucial for the movement to limit local growth. As the developmental state creates a highly trained and technically sophisticated workforce, and houses it in new towns like Koyang, the resulting new concentration of middle-class families shared a culture of concerns about the quality

of life and a growing commitment to civic activism (Clark and Hoffman- Martinot 1998). These residents ultimately comprise potentially powerful new constituencies of movements that take advantage of the opportunities in growth management. This balance between pro-growth coalition and growth management have not been possible with land-use control policies such as the New Town, Green Belt, and planning regulations that served under the prior regimes as a tool of authoritarian control. The policies were adopted in a very different political context of an authoritarian set up of the State mobilized around export led development and these policies became part of the opportunity structure under democracy that facilitated effective local challenges to local development.

The emerging patterns of urban growth politics in Koyang resembled those in the cities of advanced economies in many respects in a short span of a decade. The Mayor, local businesses and rentier mobilized around developmental initiatives in a manner analogous to growth coalitions in the U.S or France. At the same time, an understanding of the distinctive features of growth politics in Korea, show the forces and dynamics beyond the local level where the State plays a dominant role in bringing about industrial transformation in the society. Rapid industrialization, democratization and post- industrialization on the one hand, and the legacies of state intervention and late policy development on the other, have created conditions for local growth politics in Korea that remain distinct from those of earlier industrializers.

#### **Classification of States and their Interaction with Civil Society**

Different scholars have classified the developmental states into different types through the use of political variables. Gordon White (1984) classifies the states into three types- State Capitalist, Intermediate and State socialist. The political variables he uses extends from political sociology of the state like the nature of social forces and interest that shape the state, second the state's political, administrative and technical capabilities and thirdly the mode of state's involvement in political economy. The way these variables combine and intersect determines the typology of the state in the classificatory scheme. This classification is a simple one which doesn't take into consideration the authority of the State being organized and used in significant ways to influence the developmental goal of the State.

Kohli (2004) in his book *State Directed Development* refers to three kinds of State authority being organized and used in the developing world and classifies the states on this basis- Neo-patrimonial States, Cohesive Capitalist States and Fragmented multi-class States. His description of the Neo-patrimonial states coincides with what Evans (1995) characterizes as predatory states and Leftwich (1995) as patrimonialism, where there is barely a legitimate authority structure and public office holders treat public resources for personal gains. There is corruption on a massive scale proving to be detrimental to the growth and development of these States, e.g. Thailand, Indonesia, Nigeria etc.

Kohli's description of the Cohesive Capitalist States are those who can be called developmental States- they have a centralized and purposive authority structures which are embedded deep into society. This is when the twentieth century State's interaction with industrial elites gave these elites a reason to become a more collectively coherent class. "Effective state-society linkages depend on the organization of civil society as well as on the capacity of the State, but the state can help facilitate the organization of civil society" (Evans, 2012, 9).

The drawbacks faced by South African States, in its route to developmental success is the wide disparity between the political and civil society. The goal of capital accumulation is diverted to black economic empowerment making the Capitalist elite more multi-racial rather than maximizing its profits. While the State built ties to capital, the State failed to enable civil society to engage in the co-production of capability expansion.

The Indian State's hurdle on the road to development is because of the lack of broad based embeddedness that has undermined the capacity of the State to translate growth into capabilities under democratic conditions. Gurcharan Das (2012) in his blog *Street Protests awaken people but do not solve the problems* has argued that "India is an example of private success and public failure", what is problematic in the Indian state case is its lack of accountability of institutions and government structures where the drive for developmental objectives is entirely missing. Das asserts that "politics in India has kept us back, but that is the price you have to pay in a democracy".

The problem with the Indian democracy is that it has to facilitate accumulation with legitimacy by translating growth through expansion of human capabilities. Democracy in itself has been seen as problematic for the emergence of developmental state due to the short term that electoral politics can breed, as opposed to the long view that those pursuing a developmental vision in developmental states can take. India may be an adequate description of a multi-class fragmented state where the State has to fulfil multiple goals therefore it leads to a more diffused focus failing to meet its required objectives.

Urbanization is part of the development process which is again a major concern for policy makers and bureaucrats in India. While the public policy on urbanization encompasses a wide range of issues of land, economy, infrastructure, environment, management and many others, the coordination of these issues has become a difficult task for urban development management authorities (Sharma 2014). The political leadership in India has provided an ad hoc and piecemeal approach to meeting the challenges of urbanization in this country. India has yet to address issues of Decentralization, Community Welfare and Capacity Building in Development Management Paradigm for the purpose of achieving a more inclusive development. (Sharma, 2014).

The State society synergy and collaboration can also prove to be productive like the case of Kerala where vigilant and dynamic civil society has led to increase in efficiency and well-being of the whole State. It shows the ideal collaboration between the institutional and societal arrangements working for capability expansion and achieving developmental objectives. States in the twenty first century have to balance economic growth with redistribution for social inclusion which is their biggest challenge, to discover the kind of state capacity that will have order, legitimacy and will be successful in economic management of resources for social inclusion. State capacity is the means to achieve the end i.e the developmental state. "Economic outcomes of a State are products of social and political institutions and not just responses to prevailing market conditions" (Evans, 1995, 18).

There is also another dimension to State society synergy, which comes from increasing responsiveness of the citizens for good agency performance. Extensive involvement of the citizens in a project and coordination between citizen and the agency can only determine the level of success of implementation of a project. Ostrom (1996) brings out the concept of co-production and its importance in polycentric systems for synergy and development by comparing cases in Nigeria and Brazil. Coproduction implies that citizens play an active role in producing public good and services that are of consequence to them. The two extreme cases, one of Brazil where public officials encourage high levels of citizen participation in decision making, and other is Nigeria where citizens are discouraged to participate in the role played by the State. Ostrom highlights how co-production has increased welfare of the citizens, maximizing the limited resources and budget constrains to obtain substantial benefits, enhancing accountability mechanism for good performance.

The problem with generating co-production is that technologies must be used to generate a complimentary production possibility frontier. Co-production is a technique that works both ways creating a synthesis between regular government production and citizen participation and production. There are technological and operational problems in achieving co-production in

developing states like the need to enhance the productivity of inputs from the public sector itself while motivating citizens and coordinating the efforts of diverse inputs from both sides (Ostrom, 1996).

Another problem with state-society relations is what Scott (1998) describes as “high moralism” an ideology, a faith that was given to redesign societies and a comprehensive planning of human settlement and production which was based on the legitimacy of science and technology. He describes the ‘imperialism of high modernism’, and its lack of effort in understanding the local practices of a society, has led to failure in improving people’s lives. Authoritarian solutions to production and social order inevitably fail when they exclude the fund of valuable knowledge embodied in local practices. The failure of schemes to improve human condition is because of the over reliance of planning and social organization of societies according to the ‘high modernist view’ and also meet the interests of the political officials as their view of development.

Evans also affirms this by stating that “states are not generic; they vary in their internal structures and relations to society. The structure defines the roles of the state and the outcomes depend on how well the roles fit the context as well as how well the State has executed these roles” (Evans, 1995, 18).

In a State like India, political leaders drawing their legitimacy from what Morris Jones (1963) describes as the three political idioms of ‘the modern’, ‘the traditional’, and ‘the saintly’ ways has led to a certain ignorance and misrepresentation of the National schemes among the poor in certain states by the political leaders where they command legitimacy through these idiosyncrasies. The description of the patron-client relationship among the political and civil society in U.P is an example of this phenomena, which can be classified as a neo-patrimonial State.

Unfortunately in India the workings of a participatory development scheme will be shaped more by existing political networks than it will by village based stock of social capital. The dealings of politicians and bureaucrats will affect efforts by the State to disseminate information to the grassroots and will largely shape the ways in which the benefits of a development project are made available to different groups of villagers (Veron, Corbridge, Williams, Srivastava 2012, 3).

The boundaries between state and society are sometimes insufficient and inadequate to describe lived realities citizens ordinarily experience as “States” in their everyday lives. The ways in which the State is discursively constructed and symbolically represented to people needs to be re-examined. Gupta (1995) problematizes the Eurocentric unitary description of the State. He argues that in the analysis of the State, it requires us to conceptualize a space that is constituted by the intersection of local, regional, national and transnational phenomena, highlighting the role of public culture in the understanding and construction of the State.

### **Conclusion**

Citizen participation and State accountability are one of the key aspects that have led to change in the developmental perspectives by embracing contextual dynamics in the understanding of the ‘developmental state’. The shift in the notion of development from the neoliberal era has marked a significant change in the understanding of development by incorporating ‘capability expansion’ of its citizens. The interaction between state and civil society has played a crucial role in changing developmental states, by decentralizing administration to make government more flexible and also left room for participatory democracy through citizen participation making state goals more inclusive. The shift from the East Asian model of development which consolidated state’s control of people’s lives by raising income and focusing only on economic growth through industrialization. The

definition of developmental state changes with significant stress now on “people” as both measures and determinants of development.

Rapidly industrializing economies and democratic transitions in newly developing countries provide the most favourable circumstances in which urban growth politics are likely to occur as the U.S cities experienced. The important analysis has been to show the necessity of situating any analysis of the local politics that result, in its wider global and national context. The East Asian countries demonstrated a model of the ‘developmental state; which furnishes a multilevel analysis for a combination of global, national and local factors in enabling growth and promoting urbanization. Its route to developmental goals was unusual, facilitated by a strong State through efficient bureaucracy determined in attaining the growth politics of developed countries like the U.S. The politics of urban growth and industrialization in developing countries like the East Asian model of the developmental state provides an important insight into how their politics of growth and transformations differ from that applied by the Western model of the development. The politics of urban growth has differed as well as resembled the patterns of developed countries like the U.S as the politics of growth and industrialization was consolidated by the authoritarian government at the national level influencing and promoting decentralization and democracy at the local level.

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## Public Policy and Urbanization in India: An Asymmetrical Approach

Gauri Kopardekar\*

### Abstract

Urbanization can be seen as a deliberate decision-making that involves political leaders and elites playing very decisive role. As the policies cannot be decided in a vacuum; the central and state governments have taken proactive efforts to facilitate urbanization in India. In post-independence era, there are specific and detailed statements of policy for industrial development, agricultural development, population growth but rarely one finds any national urbanization policy statement. It has been observed that urban growth and management have been rarely at the centre of development planning in India (Sivaramakrishnan, 2011). The paper tries to see how Public Policy's lopsided approach has underlined the rural bias in the urban policy.

**Keywords:** Public Policy, Urbanization in India, Urban Policy, Political Economy, Rurban, India

### Introduction

Public Policy is a very exciting area of study as it embraces the contestations rooted in the public sphere and also as it anchors diverse perspectives (Visvanathan Shiv, 2015). Public Policy has therefore become an important field of study world over. Policy is whatever government chooses to do or not to do (Dye, 2004). It is a multidimensional concept that involves the actual process of policy making with different agencies involved in setting objectives and different actors promoting their interests. Welfare state seeks to balance group interests, societal needs and government priorities while framing policies. Resources are always scarce as compared to ever-increasing demands on the system. Public policy has to deal with escalating demands, diverse issues, complex problems, changing priorities and conflicting interests.

Performance of Indian government in post-independence era is marked with adoption of different public policy measures in an attempt to overcome challenges of economic development. With the introduction of socialistic pattern, setting up of a Planning Commission and initiation of mixed economy, India carefully planned a development trajectory. It was supplemented by import substitute and export promotion measures. In late 1980s, with advent of liberalization, India deviated from the earlier path and adopted a policy of liberalization, privatization and globalization. In all its economic endeavours, industrialization and urbanization remain twin forces that gave a boost to economic development.

Against this backdrop, this paper tries to consider the policy aspect of the process of urbanization in India. Industrialisation and urbanization go hand in hand. The growth experienced by India during

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past two decades is closely related to the development of activities located in urban centers. But we witness that urban areas are grappled with numerous challenges. These areas call for relevant public policy intervention. Agarwal and Somnathan observe that India remained not only an underdeveloped country but is regarded as an under-performer, on the account of adopting the wrong public policies or poorly implementing the right public policies (Agarwal & Somnath, 2005).

### **Urbanization in India**

India is undergoing the phase of urban transition. For the first time since independence, India has witnessed in 2011, an absolute increase in urban population as compared to the rural population. This data leads to a question of how this level of urbanization has reached. Moreover, in coming 20 years, this urban population is projected to rise by over 200 million bringing up challenges related to land-use and expanding infrastructure development needs in new cities and metropolis (Planning Commission). The major trends of urbanization in India have been : a. a massive growth in the absolute number of people living in urban areas and b. an increasing concentration of urban population in the Class I towns or 'cities' with one million population (Planning Commission). Considering the intensity and spread of the urbanization, it would be interesting to see what has been the state response to this overwhelming phenomenon.

Urbanization in India is a product of economic change (Sivaramakrishnan, Singh). Urbanization being related to industrial advancement and economic development, different theoretical frameworks describing the phenomenon of urbanization are tied to larger issues of social change and economic development (Ganju, 1987). Urbanization can be seen as a deliberate decision-making that involves political leaders and elites playing very decisive role. Policies cannot be decided in a vacuum. Leaders and policy-makers are the real actors who decide the growth direction and also play a major role in making the land available (Mohanty, 2014). Urbanization has a profound influence on the character of politics. Central, state and local governments have taken proactive efforts to facilitate urbanization in India. But the political actors making the physical space available, indulged into land commoditization are veiled in the overall analysis.

### **Political Economy of Urbanization**

The concept of urbanization can be interpreted through understanding of political economy. Political Economy Model in Urban Planning studies the economic aspects of the government. It analyses the relation between impact of political actions such as policies and programmes on economics and studies the inter-relationships between the different economic factors (Planning tank 2015). In order to understand the political economy of urbanization, urbanization discourse in post-independent India can be a starting point. In post-independence era, there are specific and detailed statements of policy for industrial development, agricultural development, population growth but rarely one finds any national urbanization policy statement. It has been observed that urban growth and management have been rarely at the centre of development planning in India (Sivaramakrishnan, 2011).

Urbanization trends in India are a direct reflection of the structural changes that took place in the economy. There are four structural issues viz. a. legitimization crisis due to economic inequality, crony capitalism, rise in land price; b. sluggish job growth leading to unrest among youth; c. regional disparity and d. rise in land price that grappled the political economy of India. These impediments shaped the future of the political economy of India (Bardhan, 2015). As urban sector is a state subject, the central government can only provide assistance to state government for taking up development projects. Due to privatization, role of the state has been diluted. But the state can't remain aloof in urbanization process. Lack of proper land records and ambiguous land regulations give the state greater discretionary powers in deciding legality of the land. The state remains vital in order to have intensive industrialization and urbanization. Most of the development measures



undertaken by the state were like coming out with the industrial location policy, import substitution policy, transport policy, backward area development etc. that all had spatial implications (Deb, 2006). Despite the fact that states have been empowered to make urban policy, they have rarely done so (Ramchandran, 1989).

### **Economic and Political Framework of Urban Policy in Post-Independent India**

Economic and urban planning during first forty years of independence was bureaucratically implemented as top-down process. The pattern emphasized on the growth of import substitution industrialization (Frankel, 2005, 2012). Initially, Socialistic pattern coupled with Five Year Plans focused on rapid industrialization: Governmental priorities were nation-building and following development agenda, so the policy-making focused more on agriculture and later on manufacturing sector. Also thrust on green revolution, attaining self-sufficiency in food grains and agricultural products remained priority during Pandit Nehru and Indira Gandhi era. The modern outlook and scientific zeal was adopted in education, industrialization, however, policy initiatives for urbanization could not get the similar boost.

In early decades of independence, more new towns were created. Urban policies of 1960s and 1970s did not help to keep pace with the rapid growth in large cities or to develop strong second and third-tier cities. The government paid special attention on the extension of the city into newer and distant areas rather than planning the old core city. Many new areas got developed near the locations of heavy industries and power projects. Post-independence India inherited a dual pattern of urban development. *City building process was a planned response by the authorities as also unplanned extension made by poor and middle classes got rooted in cities* (Shaw, 2012). Larger cities in the urban systems have been planned while small towns and non-metropolitan areas have grown on their own and in their own way.

Five Year Plans in initial period assumed weak initiatives towards urbanization in spite of strong resolves. During initial couple of Five Year Plans different measures towards institution building have been undertaken such as conducting diagnostic surveys, preparing Master Plans for cities, enacting Town Planning legislation etc. As generating jobs was priority, heavy investment in capital and labour intensive industries was sought during early and rapid industrialization phase in India. Congress government could not carry out agrarian reforms and institutional changes that aimed at achieving rapid economic growth and more equitable distribution (Frankel, 2005).

Third Plan focused more on regional approach. It emphasized the need for urban land regulation. Urban policy and development planning began to acquire a cogent form from the third Plan period. 3<sup>rd</sup> plan linked the provision of financial aid to states for establishing town planning departments with the preparation of master plans for regional cities. Also, Para-statal development authorities were set up for implementation. During Fourth Plan development plans for 72 urban areas were undertaken. During Fifth Plan, Urban Land Ceiling & Regulation Act was enacted in 1976. State governments set up metropolitan planning regions to look after the growing areas outside administrative city limits.

In 1970s, national population planning policies for city development were adopted for population re-distribution and decentralization. Such policies overlooked economic forces behind urbanization. Other policies focused were of local planning by preparing master plans. The Sixth Plan stressed the need to develop small and medium sized towns. A scheme of Integrated Development of Small and Medium Towns (IDSMT) was launched in 1979. The Seventh Plan shaped the urban development policy and planning. In 1986, Rajeev Gandhi government constituted National Commission on Urbanization (NCU). It viewed urbanization as a catalyst for economic development. The commission considered cities as generators of wealth and gainful employment to the surplus of rural population.

But the urban situation in India was of deep crisis, due to decaying urban infrastructure, defective planning, administrative inefficiencies and inadequate resource mobilization. The commission examined crucial issues. It also acknowledged that there is urban-rural nexus due to geographical and economic continuum. The Commission recommended an active urbanization policy to carry out reforms. The commission stated that as two-third workforce is engaged in agriculture, urbanization should be visualized as a major instrument for agriculture and rural development. Also the commission suggested strategies for intervention to give attention on agricultural development and rural poor (Buch, 2015). This approach clearly brings out the bias of the policy-makers. Though the commission was meant for developing urbanization, it focused more on rural development. The commission submitted its report in 1988 and declared four largest metropolitan cities of Delhi, Kolkata, Chennai and Mumbai as national cities by assigning a fund of Rs. 500 crores to each of them.

During Eighth Plan, focus on metropolitan cities continued. Also IDSMT scheme was revamped through its infrastructural development programs for boosting employment generation for diverting migration from big cities to the small and medium towns. The Ninth Plan emphasized on decentralization and financial autonomy of urban local bodies. A new program called Swarna Jayanti Shahari Rozgar yojna (SJSRY) in 1997 with two sub plans viz. urban self-employment program and urban wage employment programme were launched to reduce urban poverty and for employment generation. The Tenth and Eleventh Five Year Plans considered cities as the locus of economic growth, holding urbanization as the 'key indicator' of economic and social development (Kundu, 2011).

In spite of the fact that urban population escalated six times from 1951 to 2011, basic planning juggernaut did not go beyond proposing a bunch of programmes not even came out with consistent policies. An Incentive Fund was launched in 2003 in order to bring out urban reforms. In 2005, Government of India launched Jawaharlal Nehru National Urban Renewal Mission (JNNURM). JNNURM was a demand-driven and reform linked approach to develop cities and emphasized the strong reform agenda to be pursued for making the cities livable places (Mohanty, 2014). A vast number of small and medium towns on the periphery of cities are ignored by policy makers, development planners and investors in spite of big-ticket programmes (Shastri, 2011). Planning Commission in the 12th Five Year Plan emphasized on the urban improvement and growth. Urbanization sprawling in all directions has evolved different demands on local bodies and pressure on them for providing quality services; however, local bodies are grappled with weak revenues.

Liberalisation of economy: Liberalisation of economy started in 1980s. A process of economic reforms was initiated by focusing on transition in economic policy. The focus of the government shifted from Import Substituting Industrialization (ISI) to Trade Led Growth (TLG). Privatization got boost in late 1980s and further it led to opening up of economy in 1991 (Mukherjee, 2011).

The process of globalization and increasing investments in various economic sectors led to the significant growth in manufacturing activity. This resulted into densification of urban areas posing different challenges for urban management (Sivaramakrishnan & Kundu, 2011). The rise of information and communication technology sector since 1990s provided further momentum to the process of urbanization. After opening up of economy, cities were considered as the preferred investment destinations. For strengthening cities better governance and management has remained essential, however the policy instruments dominated by the political actors allocate a different dimension to development mechanism. Government agencies try to balance on the one hand some goals of development and on the other, the demands of dominant interest groups. Dominant interests have been protected by the state (Shaw, 2004) as the politicians and the bureaucrats use

the power they hold for their own personal benefit through planning instruments and for consolidating global finance capital (Das, 2016).

According to the Planning Commission, *the process of urban development involves a wide variety of interest groups and touches many sensitive areas such as land, infrastructure, finance, economic linkages, community involvement and environment*. It has been seen that dealing with urban development issues dealt in a mechanical way and by neglecting the political implications for government policy, often leads to a failure of well-conceived plans. Private platforms and voluntary organisation have been used as a vehicle of transformation of the city and have forged a new relationship with stakeholders. It also brings out the future of many Indian metropolises where the state has been reduced to a mere service provider and the sphere of state intervention has shrunk the role of market also (Nair, 2006).

Other important issue has been the state government offering land near fringe at throwaway prices to public sector and provided infrastructure. Industrialists want to set up industries near the city for getting easy access to political machinery which controls industrial licensing, process of goods, taxes etc. State has to intervene as private investors are not keen on investing in infrastructure where gestation period is long and also harms the profit motives. Activities like garbage collection being not viable are not taken up by private investors. Therefore the state is forced to intervene through urban planning and produce the items of collective consumption (Deb, 2006).

In last couple of decades, there is a shift in the ownership of urban land from small private to large corporate, huge land mass is owned by builders and reality developers. The land is claimed for private than the public purposes hence it is the deep process of buying the urban land. Such a systematic transformation in the pattern of land ownership in the cities has significant implications on equity, democracy and rights (Sassen, 2014). Privatisation of city space has been done with the local government support. Sops offered to information technology companies, allowing corporate to operate from residential areas, space offered for corporate headquarters, luxury apartments and malls underline proliferation of privatization that got strengthened by post 1990 policies and has been continued. Both urban planners and government policy-makers are collectively enforcing so that the issue becomes one of law and order rather than that of inadequacies in the planning process itself. This seems to be one of the significant obstacles to contemporary India urban planning (Krishnamenon).

In urban growth pattern an element of actors such as industrialists and industrial and trade associations, chambers of commerce also played a role by giving inputs for favourable policies and for creating essential infrastructure for the industry. The local elements provided the required push or the needed inputs for the policy. Policy initiatives are introduced either by the policy makers themselves or are supplemented by the political actors.

### **Politics of being Urban**

Cities are grappled with unauthorized constructions. Politics of patronage led to demands for legalizing such unauthorized constructions. Rural urban periphery is in state of transition and is considered as urban-land-in-waiting by the owners (Venkatraman, 2014). Thus, urban growth is not just geographical expansion of boundaries but also an instrument for changing the character of the area. The fact that in Maharashtra, Urban Development Department is headed by the Chief Minister underscores its significant place for political gains. Also the relationship shared by MMRDA and Brihan Mumbai Municipal Corporation as also newly formed PMRDA and its relation with Pune Municipal Corporation can throw light on political equations.

Though urbanization is the overwhelming reality for India, it is not identical in all the regions. Rather, lopsided urban growth leading to regional disparity is a glaring feature of urbanization. There is

hierarchical distribution of urban areas. Economic resources, investment, infrastructure remains concentrated in larger urban centres, though some economic activities get distributed in second tier cities. Such a system leads to a biased governance systems and policies by which the urban centres get more financial outlays than the second order settlements (Luthra, 2014). In spite of cities being engines of growth, all the cities don't get equal attention and financial flow on a par. Four metros still dominate the urban scenario and the capitals of different states do get special focus as compared to other emerging industrial cities.

There are policy prescriptions for industrial dispersal, on the concentration of investments in existing urban areas and for creating new growth centres. Indian urban reality cannot be seen as homogeneous fabric. There are two realities coexisting together as Core and the Periphery. It is seen that central city growth may decline in the near future owing to land and physical constraints but in the peripheries there will be new growth centres (Sivaramkrishnan, Singh, 2011). But as there is a differential treatment given to core and peripheries. Two distinct realities coexist together which have been described it as city within the city syndrome by the 9<sup>th</sup> Plan.

Phenomenon of urbanization of India cannot be seen in isolation rather there is continuum of urban area with the rural hinterland. Peripheral growth that's why becomes an integral part of city growth. There is a mixed urban reality as there are no water-tight compartments. India needs to work on several areas by comprehending the uniqueness of its urbanization and by introducing balanced policy measures that take care of urban character.

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## WomenWill Initiative on Promoting Female Entrepreneurs in India

Shweta Jha<sup>\*</sup>

### Abstract

This article reports the deliberations of a panel discussion on how to promote female entrepreneurship organized by WomenWill Initiative of Google Business Group at Gurugram on 24 March 2018. Panel comprised of Ms Seema Singh, WomenWill Lead at Google Business Group, Ms Runa Maitra, Founder & Director, People Talent International, Dr Anubhooti, Founder and Director, The NeoFusion Creative Foundation, and Ms Geetika Goyal, Founder & Director, Magic Creations. They discussed the issues, challenges and opportunities for developing an ecosystem where female entrepreneurs can thrive with great enthusiasm. Participants at the panel discussion also contributed to the discourse in an emphatic manner. They shared their concerns and articulated how things are changing for the better.

**Keywords:** WomenWill Initiative, Google Business Group, Female Entrepreneurship, India

Female entrepreneurs can truly be game changers in Indian socio-economic milieu if they are nurtured and supported by an enabling and empowering business ecosystem. This emerged as a dominant voice at a highly animated panel discussion on 'Why we need women entrepreneurs?' organized by WomenWill –an initiative of Google Business Group Delhi on 24 March 2018 at Awfis in Gurugram. Initiating the discussion, Ms Seema Singh, WomenWill Lead at Google Business Group Delhi NCR and Founder, Blue Hue, observed that there was an urgent need to develop a network of confident female entrepreneurs so that they may inspire and support other women to be effective business leaders and contribute meaningfully to social and economic development of the country. The panel discussion was held to understand the nuances of how female entrepreneurs learn, overcome obstacles, grow, develop and turn into formidable actors in business, economy and society.

Setting the tone of the panel discussion Ms Seema Singh mentioned that women have tremendous potential to engineer changes in the society as they have more power to create jobs, remove poverty by employing more women and taking control of self and their enterprises. However, numbers of female entrepreneurs have been abysmally low hence their overall impact has been miniscule. While we do have great success stories of female entrepreneurs in the country, there are many women who fail to take a decisive plunge despite having an intense desire to do something on their own. Ms Singh recounted some of the predominant obstacles as 'imposter syndrome', fear and guilt. She observed that even after successful stints in corporate or social life, females are filled with self-doubt about their abilities to steer a start-up and hence fail to take off on their entrepreneurial journey. Ms Singh said that enterprising women may overcome imposter syndrome by owning their

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success stories rather than attributing them to their spouses or families, refraining from comparing themselves with others, taking ownership of insecurities, focusing on their abilities to add value rather than pursuing perfections and giving a damn to all their known and unknown fears. Women are gifted as iconic mothers who can balance home and work with greater ease and they need to live under any guilt consciousness while pursuing their dreams of running a business or social enterprise, added Ms Singh.

Ms Runa Maitra, Founder & Director, People Talent International, took the discussion further and shared the narrative of how women evolved from being homemakers to game changers in business, economy, society and politics. She observed that women create organizations where they not only connect logically but also emotionally as they have potential to rise as centrifugal force and thus a natural knack for 'centreprenurship'. Women are good in certain industries like fashion, education, etc. but they are now ready to break all barriers and enter into unconventional domains in a big way. However, something holds back women who wish to break free and work on their dream projects – be it creating wealth, generating employment, starting an NGO or simply being a consultant, emphasized Ms Maitra. She said that women are more concerned about the likes and desires of their spouses. While they are willing to sacrifice their career and subdue their dreams, the same does not apply to their male counterparts. It is time that women take charge of themselves and their destinies. If one takes up responsibility seriously and works hard, authority comes automatically. So women need not look here and there for approval. Further, if women get involved in business enterprises, they not only bring in more prosperity to their respective families but also provide opportunities to many under-privileged females who are otherwise at the receiving ends due to inadequate knowledge, skills and abilities for decent livelihoods.

Ms Maitra also highlighted the need for women to indulge in networking so that they can create greater impacts in all spheres of life –be it social, political or economic. Now networking barriers are also breaking fast. Earlier, networking was 'for males only' where females used to play second fiddle. Even the prevalent spaces for networking such as pubs and bars were taboo for women. However, now emerging roles/ responsibilities have pushed women to break the ice and network, she added. Ms Maitra mentioned that women have now free access to information and that augment their ability to network confidently with others in the society. Social media has further expanded the networking opportunities for all and women can make most out of this opportune time. She said that networking is essential for boosting their net worth in the long run as women can support each other in their respective ventures by providing advice, opinion, contacts and resources whenever required. Networking is as important for women as starting new ventures. WomenWill itself is a classic example of how females across the world are connected to each other through 140 chapters.

Dr Anubhooti, Founder and Director, The NeoFusion Creative Foundation, said that women are pioneering change agents as they are gifted to alter the scenarios at home, at work as well as in the community. However, they are not at forthcoming and prefer to stay indoors rather than exploring their real worth and making a difference in a bigger way. Quoting Kiran Bedi, she shared five bottlenecks that hold back women: Metal, Marriage (kind of partners they have), Mobility (readiness to go out of the comfort zones), Motherhood (feel emotional, especially when children say "mummy please do not go to office today), and Mentality (can do, cannot do). However, women have to overcome these bottlenecks on their own. It is all about placing the concerns in right perspective and taking an objective view on how women and men can collaborate to run the families so that the former have ample opportunities to start their dream projects and become equal contributors to the prosperity of their respective families. But women of course need to take the first step and articulate their innate desires to excel outside of home in order to obtain concomitant support from their partners. Speaking out may pave the way for their onward entrepreneurial flight while keeping quiet

may suffocate them in the long run so that they may not even contribute to home-making, to say the least, added Dr Anubhooti.

To be an entrepreneur, one requires a little push which can come only from within, observed Ms Geetika Goyal, Founder & Director, Magic Creations. Hence, women need to carefully listen to their inner voices and take the plunge at the right moment when they are ready. She said that women are already involved in contributing meaningfully to growth of Indian economy by creating numerous livelihood opportunities female workers. Women entrepreneurs are able to nurture female employees as it is easy for them to connect emotionally. Besides, women have more sense of creating relationships. They have this as a default. This is why women entrepreneurs are passionate about their projects. This passion passes on to their employees and they together write success stories to inspire others.



Participants at the panel discussion also contributed to the discourse in an emphatic manner. They shared their concerns and articulated how things are changing for the better.