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Contents

Business Education in India: Has it Lost its Way?

Prof. J. Philip[*]

In the business education context, we have heard about 'knowing', 'doing' and 'being' a hundred times. A lot of teachers parrot it. In every B-School conclave this is the central theme. But unfortunately, most of the votaries of this 'Trimurthy' don't bother whether they are achieving them or not. In reality, except for the 'knowing' part, achievements in the other two areas are perilously low. This situation can mostly be attributed to:

1. Our usual attitude of 'Chalthahai' to most developments around us! The 'Gadi' continues to run, although there are a lot of sputtering and gasping. But with students still enrolling, teachers teaching and some sort of placement – clerks to managers – Rs.10,000/- to Rs.4,00,000 a month, "Chalthahai gadi".

In this context it is good to recall an earlier study conducted by ASSOCHAM on the employability of MBA graduates (*India Today, July 11, 2016*). The study concluded that only 7 percent of the MBAs, outside the IIMs, are employable. That, of course, was greatly out of reality. It is not that bad, although not good enough to crow from roof-top, as a lot of educationists do.

Now the point of dispute is the definition of employability, and that is a subject on which the debate has been both perennial and universal. We may, however, make two assertions on which there would be broad agreement: Firstly, no business school, unlike a medical or law school in their respective fields upto a point, can claim to be able to deliver to business or industry graduates who are job-ready. Secondly, what business schools are expected to provide their students is a foundation of academic knowledge, intellectual ability and functional skills of management, on which their future employers can count as potential to be further grafted, developed and utilized for specific job requirements.

Against this background, is there any truth in ASSOCHAM's findings? It is half fact and half fiction. The main reason is that most of our B-Schools still emphasize on imparting knowledge, with very little attention to imparting life-skills or managerial skills. Business education is run more like teaching history, geography or sociology. Empowering the student with true managerial skills doesn't happen. The reason is very simple and painful – most of the business teachers have really no managerial exposure, nor are they trained in managerial skills. It is business as usual - lecturing, note-giving, entertaining, seeking students' feedback and all that! Everybody, except the recruiter who is holding a 'raw mango' in his hand, is happy in this kind of a situation.

2. In the massive growth of Business Schools in India in the last forty years, the biggest casualty has been quality – good-quality teachers are simply not available. Most available ones are fresh PhDs with no industrial experience or exposure. You get a young man / woman with a certificate but not much preparation in teaching management. Above all, there is inadequate awareness and feel in the ranks of business school faculty of what makes management a distinct course of study with its scope variously embracing market, economy and society, so much so the learning in a business school involves, unlike once again in medicine or law, aspects like leadership, organizational skills, change management and several other things going into the art and science of management, and not just a grounding in functional disciplines as with social science courses like economics. The disposition and training of the normal faculty are mostly oriented to the functional or knowledge part. And, there is little doubt that the knowledge part is quite sound in most of our business schools as their syllabus generally follows the global format, historically originating from American B-Schools. So, what is to be examined is how the knowledge-base can be translated into effective managerial learning in terms of processes and outcome. Hence the pivotal role of the faculty and of the campus leadership -- the latter to concern itself with the design and organization of the graduate course in management and the former to implement it.

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[*] Prof. J. Philip is the Chairman of XIME Bangalore and a former Director of IIM-B.

I remember interviewing someone whose PhD was on poultry farming in some districts of a particular state. He is all set to teach industrial management! I have come across several such cases. As per the prevailing norms, they are all eligible management teachers and even can become full Professors! But an IIT graduate with an IIM Degree and having 20 years of senior level industrial experience cannot hope to be a Professor. He is permanently handicapped for want of a Ph.D. It is often forgotten that our students need to get introduced to managerial practices along with the study of relevant theories.

If one looks at the kind of Ph.Ds. that comes out, we would not be all that reassured. Why does it happen? – basically because of the regulatory norms and the same 'Chalthahai' attitude.

3. Absence of industrial exposure.

In my own academic life, which started right away after my studies at XLRI. I realized after a decade of teaching, that I could never be a good teacher in management unless I had some industrial experience. Fortunately, a suitable job opened up in Steel Authority of India (SAIL), and I joined the same. I used to describe my 8 years with SAIL as the period of my true learning of management. Perhaps this would not have happened, but for my one-year at Harvard Business School for the International Teachers' Programme (ITP) in Business Administration. In the classes where I attended lectures at Harvard, I realized that practically every student came with 3 to 10 years of industry experience. That remained in my mind. Even after my return to XLRI and the promotions that followed, I felt some inadequacy, some gap, some tentativeness in my teaching, which convinced me that I should work in industry. I went to SAIL with two years' lien from XLRI, which I extended by another year. Even then, I felt I haven't really sharpened myself as a good manager. My experiment with SAIL took a total of 8 years. But then I began to feel that what I saw was a public sector organization with its characteristic culture, systems and style of operations. I thought that was not good enough for me. I was convinced that I must get some experience in the private sector too. Lo and behold, a suitable position opened up in the Oberoi Group of Hotels and I joined there in the early 80s, as its VP(HR)! The five-year plus that I spent at this dynamic private sector organization gave me the courage that I could face confidently the challenging task of developing future managers. But then what turned up before me was the Directorship of an IIM which was hugely beset by IR issues which I was not aware of. I would have never joined IIM Bangalore if I ever knew how bad the IR situation there was. Most of my contemporaries knew what I faced there and how I managed it. I would quote here something which my predecessor had written about the IR situation that he faced as Director at IIM Bangalore.

Throughout my tenure, there was tension within, and criticism in the Karnataka Assembly and a segment of the press, which dubbed the Institute as mismanaged. Even a senior government official declared that I was a poor administrator, though a good institution builder. From 1981, a segment of the faculty and the staff union, with support from outside, created conditions where I could not discharge my responsibilities effectively. Therefore, in the interest of the institute, I relinquished charge as Director in July 1983, and took sabbatical leave for two years, during which time I completed a major government-funded project on animal power. Finally, I retired on 31 March 1986.

Prof. N.S. Ramaswamy
(1999)
Management Perspectives

This was the situation that I had inherited in 1985. I faced it, and reversed the situation. There were a number of newspaper articles at that time describing IIM-B as 'ungovernable'. I proved it otherwise. I could do it only because I knew IR dynamics rather well with my tenures at SAIL and the Oberoi.

Let me give a parallel situation here. Towards the end of my tenure at the Oberoi, there was a strike at the Delhi Oberoi – which also turned out to be a little militant in between. The slogan shouting outside and inside the hotel was cutting into the very essence of a five-star hotel. Some of us seniors from HR and Law used to meet on this issue every day at the Vice Chairman's Office. In one of these meetings our lawyer, who was a truly brilliant professional, informed that he would like to try the Civil Court route to handle the agitation.

Next day he came with a restraining order from the Court, restraining the union from agitating within 100 meters of the periphery of the Hotel. 100 meters

meant that the union agitators had to be in the next road with a large number of residential houses coming in between the hotel and the location where they could assemble. Nobody could see them or hear them from the hotel. In a day or two the agitation collapsed. Order was restored.

When I was faced with the earlier described militant IR situation at IIM-B, I suggested to our lawyers as to why not we try the same "Civil Court" approach to handle the deteriorating situation at the Institute. We had quite a senior lawyer. He said he was not aware of any "injunction" in IR situations in South India. After checking the law reports, he told me that there was no such case in South India. However, I requested him to try, adding the point that if a hotel could get such a 'restraining order' a national B-School could definitely get it. We filed our petition in the jurisdictional Civil Court and we won the battle. We got the order next day. When the Union members descended that day at the main gate of IIM-B for their usual procession and slogan shouting, the local Circle Inspector went up to them and showed the Court Order. Then he pointed out to a bamboo pole planted by him 100 meters away, and told them that they should go down there and shout slogans, but not anywhere in the Institute premises. 100 meters away was a paddy field (at that time). It was about 180 meters from the main building of IIM-B. Although the agitation continued for another day or two, it soon collapsed. Our lawyers were the happiest lot. They were the first to try the Civil Court route to handle a militant union agitation in the State. And I quietly thanked my IR experience with SAIL and Oberoi.

4.   Need to do Intense Research/ Consultancy with the Practicing World.

What I am trying to convey here is this: One can only be a good management teacher if he had relevant practical experience or learnt it through intense research efforts or consultancy.

Unfortunately, the Indian situation is quite different. True research is rather unusual, so also is consulting. It is a vicious cycle. We start with green teachers with no industrial experience, and they continue to stay green. With green teachers teaching green students, the situation could only worsen. And the vicious cycle continues! To break this unfortunate chain, ambitious young teachers must take leave (more than sabbatical) and go and spend two or three years

in an industry and then return to teaching. Then they will see the difference -- enhanced competence, confidence and more practical orientation. A new era would begin for such youngsters!

CII has a programme in arranging industry placements for business teachers. Even other industry associations could help, provided the young faculty-members have the desire to be true management teachers. That kind of experience will make them "stronger and sharper" and more effective. Seek such opportunities vigorously. If such industry attachments don't come through, they should pursue vigorous research programmes in partnership with some of the seniors at the respective institutions.

5.   The near-total neglect of the 'being' aspect.

I would like to go back for a while to the 'being' part of MBA education. This aspect truly deals with the softer aspect of the career preparation of managers – integrity, fairness, conscientiousness, dependability and the commitment to give to the organization more than what one takes. Above all, a deep concern for your institution and its environ.

Have our teachers got it? Are they role models when it comes to the real "hard" aspect of management? Remember the assertion of Peters and Waterman that 'soft' is 'hard' (1982). It is quite conceivable that many teachers are good at this. And, the probability is that an equal number would be in the "Couldn't care less" attitude. While on this, we might ask as to what is the basic value system a business teacher must carry and convey. Drucker answers it when he talks about two kinds of managers: 'Caretakers' and 'Builders'. The answer is obvious. Our teachers need to be a "building" variety - a creative variety, a value adding variety and a future-building variety. Every teacher must ask:

Am I a model to my students?
Do I keep myself up-to-date all the time?
Am I "aware of outside reality", as Drucker (1967) puts it?
Am I acutely conscious of "sharpening the saw", as Stephen Covey (1988) demands of us?

6.   Outdated Pedagogy

The old university system which had slowly permeated to the business school system has done considerable damage to the B-Schools' operation, with the dominance of the 'chalk and talk' system.

The whole approach to students' development has degenerated to class room lectures.

I am reminded of the very powerful thought of Charles Gragg in this famous article "Because Wisdom cannot be Told" in the classic book: Case Method at Harvard Business School (1954).

Our old notes and lectures are poor tools for the development of managers; 'Case Method' – yes, 'Simulation' – yes, 'Role-playing' – yes, 'Cultural immersion' – yes, or 'Industry internship' – yes – anything experiential, welcome! But wisdom cannot be handed over by lectures!

There is another powerful message for B-School teachers coming out from the same article:

> If learning process is to be effective, something dynamic must take place in the learner. The truth of this statement becomes more and more apparent as the learner approaches the inevitable time when he must go into action.
>
> **Ibid**

7. We are losing in the competitive run.

We may now go back to our starting point. Have we lost our way to our destination of providing good business education? At least half of our B-Schools seem to have lost their way! Otherwise, how do we answer the question on our collective performance? India has the largest number of Business Schools in the world -- in terms of the number of Business Schools, we are even ahead of the U.S. and Europe. We also had an early-start advantage: XLRI was started in 1948; ASCI in 1956; and IIMs came in the early 60s, with IIM-C in 1961, IIM-A in 1962, whereas London Business School and Manchester Business School came only in 1965. France (1959), Spain (1955) witnessed beginnings of business schools a little earlier, but China was much later since (1991) in entering business education. But sixty add years on look at the latest ranking of the leading B-Schools of the world in the Financial Times (London) rank list of 2022.

India has 3 Institutions in the list;

Tiny Singapore has 4;

Spain has 4;

China (including Hong Kong) has 9;

U.K. has 10; and

U.S. has 50.

What happened to our 3300 Business Schools – almost 30% of the total global numbers – double that of the U.S. number? In fact, India has more Business Schools than the combined number of the US and the European Business Schools.

Are we going to be an 'also ran' in this vital field like in Olympics?

or the Automobile industry?

or the Software products?

or the Garment Industry?

We are losing the race for competitiveness and global standing in Business education!

This is something which should worry the Government, institutional leaders and the faculty. That the regulatory system must further liberalise and give true autonomy to higher education such as would give on impetus to competitiveness and growth in quality is an oft repeated plea. The B-School leadership for their part must lead, provide the necessary resources, demand and show the way for better performance. It must be a continuous search for excellence for everyone involved. And the teachers, the mainstay of instruction must redefine their role as true developers of the future generation of managers; to transform them as achievers and builders solidly grounded in capabilities on the one hand and in values and principles including ESG that should form the core of management in the times we live in, on the other. There lies the way for the faculty to collectively contribute to a vibrant culture of institutional performance. Peters and Waterman's 'happy atom' of seven factors with 'Shared Values' in the centre will be a good model to follow (In Search of Excellence 1982). Remember right at the middle of this figure is 'Shared Values'. This could also be described as the culture of the organization. At the centre of the culture of a good B-School is the 'mantra' of true 'transformation' of the student into knowledgeable, competent, persevering, value driven and skilled manager of the future. This is a tough and demanding task for all the stakeholders of the business education system.

India's rightful place in business education is at least the No.2 position in the world, after the U.S. We must capture that spot. With the 'can do' spirit having firmly set in the country, B-School system must be in the vanguard of this movement.

Views expressed are personal

A Review Study on Nudging and its Application in Healthy Food Products

Dr. Deepti Kakar*

Mr. Deepak Sharma**

A b s t r a c t

Nudging can be described as the phenomenon that offers subtle and often indirect influence(s) to yield an expected choice from a decision-maker. Unlike explicit mandates of law or product promotions, nudging does not drastically change the alternative options available to choose but attempts to affect the thought process of the decision-maker. Richard H. Thaler & Cass R. Sunstein propounded the concept of Nudge theory that had won the Nobel Prize for Economic Sciences in 2017 in the book, Nudge–Improving decisions about Health, Wealth and Happiness in the Year 2008.

For the past few years, nudging has been applied by governments in several nations, including the Government of India, in its various welfare schemes. The theory has been successfully applied in many competitive market scenarios. In a commercial space, the nudging can influence consumer behaviour indirectly through recommendations regarding a particular product or a brand.

Since 2008 there have been many pieces of research done in this domain. However, this study aims to explore the finer details of the nudge theory and collate its application via various nudge based campaigns around the globe. This study is formulated as a review of existing research, and it emphasises the success level of nudging attempts across various domains. To pursue this, the review is based on 74 research papers and research articles published during the period 2008 - 2021 in various areas of nudging, including health and sustainable consumer goods. The unbiased perspective emerging from the proposed study will be useful for the marketers in the industry of healthy food products in their plans regarding promotion and sales outcomes.

Keywords: *Nudge theory, nudging, choice architecture, healthy food products, review paper*

*   Professor, Jagan Institute of Management Studies, Delhi, India. Email: deeptikakar@jimsindia.org
**   Research Scholar, Jagan Institute of Management Studies, Delhi, India. Email: deepak.sharma@jimsindia.org, Ph.: +91 98717 56183

Introduction

In human life, decision-making is basically unavoidable. Decisions, whether small or big, consume a larger part of the time and are inseparable from the daily routine of an individual. Some decision-making scenarios are natural and thus do not consciously involve time and mental strain to evaluate the possibilities of arriving at the final choice. On the contrary, some decisions are complicated or resource-intensive and are displayed overtly in events. Unlike the judgments made for oneself, decisions can have a substantial impact on intended results and goal attainment when made by some other person. Similarly, the decision of a prospective or potential consumer is crucial for any marketer/business institution.

Over the decades, a lot of consumer behaviour research has been focused on what goes into the decision-making process and shapes the consumer's choice. For decades, the marketer's ultimate goal has been to attract consumers towards their products by creating a favourable urge in consumers' minds. As a result, relying on behavioural studies such as psychology and behavioural economics to understand the cognitive dynamics that drive customers' decision-making is not a new trend. Bernard (1927), Skinner (1938, 1953), Pavlov (1960), Bushell and Burgess (1969) conducted many notable experiments that led to the foundation of various remarkable behavioural theories. Experiments conducted by Bushell and Burgess (1969), Catania (1963), Catania and Reynolds (1968), Hursh (1978), Hursh and Natelson (1981), Hursh (1984) are further used to understand choice and consumption behaviour. Sheth (1985) illustrates the convergence of behavioural sciences and marketing strategies in a deeper understanding of consumers.

The ability to influence the external environment can fruitfully direct the consumer behaviour in the intended way of making a purchase. (Pierce and Cheney 2004) accurately identified the causes of behaviour as either intrinsic or extrinsic to people. Decision-making is not always rational, and the use of emotions and irrational behaviour to steer our choices have been recently validated (Kahneman, 2003, 2011; Thaler & Sunstein, 2008). The context or conditions in which decisions are made have a big impact on emotions.

The term "choice architecture" (Thaler & Sunstein, 2008) was introduced to highlight the importance of environmental setup in influencing consumers' spending patterns. Choice architecture is an element of the larger concept of nudging, which encompasses noticeable and covert tactics that modify/derive consumer behaviour to persuade them to make the desired decision. Nudging does not provide decision-makers with a clear and obvious reward.

Nudging is not the same as paternalism. Paternalism was first articulated in the late nineteenth century by Immanuel Kant in 1785 and John Stuart Mill in 1859 (Thompson, n.d.). It refers to any action taken without the decision makers' agreement to limit the range of alternatives open to him/her, intending to benefit the decision-maker (Dworkin, 1972). Nudging, on the other contrary, is consistent with libertarian paternalism (Thaler and Sunstein, 2003). It does not rule out any of the decision maker's possibilities, nor does it seek to drastically modify his/her behaviour by tying rewards to the alternatives. "Nudges are not mandates," Thaler and Sunstein (2008) state strongly. Nudges are milder cues that derive decision-making by addressing cognition at the subconscious level. Additionally, positive reinforcement followed by indirect recommendation had been the two main principles that work behind nudging.

Traffic light labelling can be used to modify or steer consumption habits, especially in the case of healthy food items (Hollands et al., 2017). However, perceived behaviour control and health values make people more health-conscious, which consequently steer them towards healthy eating options (Madan 2020). While feelings and emotions also play a crucial role in a consumer's purchase decision (Jain & Arora 2021). Additionally, Scarcity nudges work efficiently in boosting healthy food items (Fennis et al., 2020).

The nudges have been utilised and investigated in the policymaking and business domains to a decent level. Accordingly, this study comprises in-depth research and reporting on the application of nudges, their effectiveness, examples of their success and failure, and reasons for their goal achievement. However, collating the studies to find parallels between successful and unsuccessful initiatives is important

for better comprehending marketers. This study also provides a background on whether the healthy nudging interventions should be generalised or be kept specific to several conditions. Furthermore, evidence on the effectiveness of nudge(s) in driving behavioural modifications to stimulate the adoption of healthy eating options is rare in the Indian setting.

In addition to the introduction, this research work is organised into three key sections: methodology, literature review, and analytical discussion. These are presented in the following order, concluding with remarks at the end.

Methodology

This research paper is organised as an integrated review paper that detects relevant research articles/ papers/book chapters, collects and summarises the commonalities and differences, and seeks to develop a further background in viewpoint. Toracco (2016), Grant and Booth (2009), and Callahan (2010) are all used considerably in the methodology. The methodology has been laid out in accordance with Grant and Booth (2009)'s analytical framework - SALSA, which stands for Search, Appraisal, Synthesis, and Analysis. In line with this, the search is mostly focused on primary research studies, and the appraisal is based on the contributions made by available research studies (in India and elsewhere). The majority of synthesis is narrative. The analysis is a non-quantitative process that involves identifying commonalities and dissimilarities among current research papers.

The methodological description followed in the study is based on the viewpoints shared by Callahan (2010). Primary research nudging as a concept and application of nudging in commercial space, specifically in healthy eating options, both in distinct nations, were defined as part of the scope for obtaining the existing literature. The search engines Google and Google Scholar were used on the web, and two databases, Emerald and ProQuest, were used to retrieve pertinent literature. The collected research works were taken as per the time-frame, by the formal inception of word nudging by Thaler and Sunstein (2008) to publications in the most recent and finished by mid-2021.

Given the nature of the review and its dependence on secondary data obtained via the Internet, the research was conducted entirely on a desktop, and it lasted for seventeen weeks, commencing in May 2021 and concluding in the third week of September 2021. The research initiation, processing, and outcomes were all distributed into areas of focus because this was a two-author work. With regular interactions and short-term action planning, a fair contribution in the areas of searching and identification, compiling and, appraisal and formal drafting were accomplished.

Various keyword combos were used in the search: nudge, nudging, nudging and consumer behaviour, nudging and consumer decisions, and nudging and decision making. While a bit of googling for 'nudging and consumer decision making' returned over 7.5 lakh entries. The first four pages, each with ten results, were explored in depth because of the vast quantity of search engine results and the time constraint for this review job. A significant number of search results were identical when using various combinations of the above terms. However, after removing such overlapping, the comprehensive search on Google revealed roughly 150 searches. The search results linked to educational sites and blogs were removed, bringing the total down to around 90. Furthermore, Google Scholar returned roughly 27 thousand academic papers related to research publications for 'nudging and consumer decision making,' but when the time-frame scooped from 2008 to 2021, the results were reduced to 17 thousand. As anticipated, most scholarly results from Google and Google Scholar were similar. So the researchers filtered out the studies which were subjectively regarded to be of a higher standard and studded with considerable citations. Emerald and ProQuest were explored with similar keyword pairings to assure access to more such publications. The researchers had a limited path to these due to their institution's (workplace) membership to selected contents. However, a database search yielded an increase of 60 relevant research studies, and, a full article access lowered the size to less than 20. This was cut in half when it came to the application of nudging in healthy eating options.

The total number of research studies reviewed and included in the current study is 20 for the background study, 24 for uncovering nudge and nudging as a

concept, and 30 for the application of nudging in commercial space/marketing.

The heart of this research - the literature review and synthesis - is presented in tabular form and descriptive narrative, atop the discussion section. These are classified into two categories: nudging as a concept and nudging and marketing. The last portion, which deals with discussion and conclusion, tries to subjectively link together the general conclusions reached in the prior section. This summary is a subjective mash-up that balances the opposing viewpoints expressed in the reviewed papers.

Literature Review

Nudging as a concept

The understanding of irrationality about human behaviour that lies at the base of bad decisions was extended by (Thaler and Sunstein, 2008) as the idea of irrational thoughts and behaviour was already established and extensively researched by practitioners and learners of psychology. The presence of biases and rule of thumb (Kahneman and Tversky, 2000) are prevalent factors that aid in making human decisions inaccurate.

Without the use of the term 'nudge' or 'nudging,' in their previous work, Thaler and Sunstein (2003) brought forth the idea of libertarian paternalism. This new term provided an alternative to the coercive ideology of paternalism yet possessed the ability to achieve the same results. Highlighting the biases in-built in all humans, Thaler and Sunstein (2008) explained the logic behind erroneous or poor decision-making, which ultimately results in undesired or poor outcomes in the areas of health, education, and finances. Human choices are vulnerable to context and process (Kahneman and Tversky, 2000), which provides possibilities to steer them towards targeted goals. Accordingly, modifications in the choice architecture taking the form of nudges could turn fruitful.

Thaler et al. (2014) elaborated the concept of 'libertarian paternalism', which means to guide people in making wise choices without enforcing any options or forbidding any alternatives. In a recent study, Grayot (2019) furthered the clarity on the ambiguities relating to valid psychological factors that explain the internal dynamics of the decision-making process ingrained in the dual-process theory.

A critically acclaimed challenge to the theory was put forward by Hansen and Jespersen (2013), who went on to explain that the non-nudge environment of a decision-maker is not necessarily a sure failure in yielding desired outcomes. However, Hansen and Jespersen (2013) supported and explained Thaler and Sunstein (2008) views on nudges on being non-manipulative in nature. They propose a framework of creating four types of nudges - transparent type 2, transparent type 1, non-transparent type 1 and transparent type 2. Each either being manipulative or not (non-transparent and transparent) and conforming to System 2 thinking or System 1 (Kahnemann, 2011) thinking referring to the reflective and automatic thinking modes, respectively (Thaler and Sunstein, 2008). These can be of enormous help to choice architects wanting to contextualise the usage with value-based considerations.

In addition to revisiting the conceptual framework of nudging, Sunstein (2014) stressed the characteristic transparency of nudges and their advantages over the traditional incentive system that would be manipulative and cost guzzling. A comparison of the efficiency of decisions from traditional price incentives with nudges has been the basis of 'a set of general principles for choosing whether to employ a nudge or a price instrument', formulated by Galle (2014).

In-spite of considerable literature on the conceptual build-up on nudging, borderline cases and misclassification of information and advice as nudges (Hausman and Welch, 2010) is a critical issue. Also, more criticism of the theory and its application has involved raising issues related to ethics (Hausman & Welch, 2010; Selinger and Whyte, 2011) in modern-day pluralistic societies and across societies (Selinger and Whyte, 2010; Bovens, 2010). Several opinions believed that ethical doubts are more significant than social fears associated with nudging, Selinger and Whyte (2011). It also raises a question on the underlying premise that people are ignorant to consider the best for themselves. Additionally, understanding human biases is insufficient for understanding people's perceptions and interpretations of various scenarios, and thus

their decisions. The socio-cultural environment is significant in making cognitive biases distinct from those arising in another context (Nisbett, 2015). So, assuming homogeneity of cultures and human biases may not be even circumstantially correct.

Wary of the non-manipulative nature of nudging (Rizzo and Whitman, 2009), doubt the long-run sustainability of the concept, especially in the sphere of policymaking as it may transcend and become more intrusive hurting personal freedom and choice. The choice architect's perspective of assisting decision-makers in producing quality selections may not be perfect because it is based on how they define quality (Baldwin et al., 2011; Cartwright and Hight, 2020).

The degree to which nudges will lead to desired results is primarily determined by various uncontrollable variables, and it also raises suspicion on nudging implications which may reintroduce libertarian paternalism in its classic form and essence (Goodwin, 2012; Bradbury et al., 2013). Though nudging found favour from several quarters - academicians, researchers, politicians, policymakers and also ratified several marketing strategies that had been practised hitherto without the tag of nudging, it also gathered a lot of doubt and criticism. Responding to such disapprovals, Cass Sunstein wrote, 'Misconceptions about nudges' and gave counter-arguments to the allegation of nudges being exploitative, covert, manipulative, ineffective and extending too much dependence on the government. This was further supported by Sunstein et al. (2018) with the help of results from the five-nation survey covering 15 nudges in diverse areas proving the presence of high approval for nudges as policy tools though not without variations across nations and cultures.

An alternative to trounce the ingrained human biases (Kahneman and Tversky, 2000) and their impact in the form of bad decisions (Thaler and Sunstein, 2008) was put forward by Richard E. Nisbett, by training people to help them reason out and understand events and decision situations (Kelly, 2019). Nudges and incentives cannot be treated as a substitute for instructional training, and these should be used as complementary to one another (Nisbett 2016).

Nudging and marketing

Though marketers and salespersons have been using it for decades, research and studies using the term 'nudging' as a part of marketing strategy to drive consumer behaviour in a favourable direction emerged in the last decade. A majority of such studies have shown that nudging can be a powerful tool to study and influence consumer behaviour.

In a recent study (Singh, 2019), nudging aids marketers and corporations in truly understanding customer behaviour and helps consumers to make better-educated decisions, and considering policy approaches to improve eating behaviour of people to assist them in eliminating nutrition-related illnesses, Gutherie et al. (2015) stress on the role of information for producers/marketers as well as consumers for good choices. Nudging can also be used as an instrument to encourage sustainable consumer behaviour, and it can bring positive changes in specific conduct (Mont et al., 2014).

Experiments to evaluate the decisions made by consumers when nudged by default options (VonBergen et al., 2016; Kraak et al., 2017; Kaiser, 2018) reveal that consumer decisions are better. Since default options come with the convenience of 'no action required,' they are able to direct the decision maker's choice in the desired direction. VonBergen et al. (2016) throw light on the concept and consideration of defaults options as nudges only if the customer has an option to choose another alternative or to opt-out.

Lu et al. (2019) investigate the importance of nudging digitisation, and it was found that overt digital nudges (i.e. the component of behaviour that can be noticed by observing–open behaviour) and covert digital nudges (i.e. the part of behaviour that cannot be noticed by observing–hidden behaviour) were most effective when used together, rather than separately. However, Kaiser (2018) questions the usage of digital nudges as they may end up producing more favourable results for the choice architect rather than the customers.

Several studies examining the linkage between nudging and consumer decision making (Nguyen 2019; **Petit** et al., 2018) have shown nudging is a positive way to influence decision making to enhance

sales. Experiments specifically to enhance healthy eating among consumers (Hollands, et al. 2011; Hollands, et al., 2017; Cheung, et al., 2019; Huitink et al., 2020; Fennis et al. 2020; Matheus Mistura, 2012; Kraak et al. 2012, Boehm et al. 2019; Huitink et.al. 2020, Petit et al., 2018) by the use of nudging has been reported to be effective. Interestingly, Huitink et.al. (2020) proposed that the combination of price and nudging worked best in boosting sales for healthy products rather than their independent application. Experimenting to analyse the role of nudging versus marketing to modify human behaviour towards healthy eating options (Boehm et al., 2019; Petit et al., 2018) led to similar outcomes; however, Huitink et al., (2020) and Cheung, et.al. (2019) obtained contradictory results in the use of social norm nudges to induce healthy eating. **Designing nudges, keeping in mind the personality traits of the decision-makers (Kaiser, 2018) is instrumental in improving their effectiveness.**

The linkage between nudging and pricing (Welch, 2010; Kraak et.al. 2017; Hoenink et.al. 2020) show different results as price strategy may at times be better while, in some instances, it works the same way as a nudge. However, the price must be justified for the nudged product implying consumer decision making highly influenced by the idea of 'value for money' when attempting a purchase deal. Studies by Hollands et.al. (2017) and Vandenbroele et.al. (2018) have mentioned the use of 'Traffic Light Labelling' in their experiment interventions. Both the studies were designed to encourage healthy eating habits among consumers via labelling nudges. Vandenbroele et al. (2018) attempting ecological goals attempt to encourage people to adopt food having low carbon dioxide emissions rather than high.

Similarly, experiments involving changes in packaging sizes **(Petit et.al. 2018; Hollands et.al. 2017) throw up effective outcomes in shifting consumers from unhealthy products to healthy products with specific reference to food, alcohol and tobacco.** In addition to an experimental study by Vandenbroele et.al. (2018), a study in Indian settings by Soniya and Meena (2020) proved nudge to be an effective tool to encourage people to buy more organic products.

However, criticising the use of nudging by marketers, Dholakia et.al. **(2016) emphasises the right amount of nudging** and its possibility of failing if the marketer attempts to show off superiority. The findings of Nguyen (2019) establish nudges as ineffective, undermine democracy, evade main issues, and are tantamount to shaming.

Discussion and Conclusion

One of the most common assumptions in almost all the models developed by various economists is 'Humans are rational', and all decisions are generally based on their self-interest. However, behavioural economists have a viewpoint that emotions influence most human decisions. Similarly, a marketer has to deal with humans who always expect fair treatment (Thaler, 2012). Nudging has sparked a lot of debate over the years, even though its founder won a Nobel Prize for the same, but still, many scholars have criticised the concept of claims that nudging is equivalent to shame! The literature analysis conducted as a phase of this research yielded several extremely important findings.

To begin with, nudging has a lack of definitional accuracy, and the subjective boundaries that delimit regions that protect or encroach on human confidentiality and decision-making freedom are also weak (Bovens, 2010; Hausman and Welch, 2010; Selinger and Whyte, 2010; Selinger and Whyte 2011). Numerous studies have attempted to clarify the concept and application of understanding the terms nudge and nudge theory since its inception, while others have been tossed into the basket of challenges and definitional ambiguity. This is hardly unexpected, given that perhaps the concept refers to human thinking and behaviour, which are so complex (Mont et al., 2014) that they continue to surprise scholars and have researched extensively over so many decades.

Second, nudging appears to be a new theory that was found (Thaler and Sunstein, 2008) and well equipped with multiple successive research, yet, its application has been in practice from the past, particularly in the sphere of marketing and sales. For example, a common psychological pricing strategy entails prices that end in 9, 99, etc. (charm pricing), where the relevance is in the left digit, which is quickly interpreted by our minds before the reading is finished and the left-most digit is captured and anchored (Thomas and Morwitz, 2005), such as

9 with Rs. 9.99 and appears to be smaller than Rs. 10.00. This pricing is more likely to be accepted by consumers, resulting in more sales. Manufacturers and retailers have already experimented with and utilised knowledge of human cognition and its irrationality from the past many years (e.g. cognitive biases) (Thomas et al., 2007; Chandon and Ordabayeva, 2009; Biswas et al., 2013; Soster et al., 2014). The success provided a boost to research aimed at a greater understanding of consumer behaviour to improve marketing techniques' effectiveness. A vast majority of studies (i.e. 91 per cent) show that nudging can be a powerful tool to study and influence consumer behaviour. However, only 9 per cent of studies don't talk about consumer behaviour in a broad sense, and some of them were posing a critical review of nudge theory.

Third, there is a misreading of the excitement of having discovered a gold mine in relying on the revolutionary character of nudging as a solution for all issues. Nudging isn't a magical cure, and its applicability in business and other sectors has been shaky. Though individuals are flawed, an effort to steer them toward better results is likewise a product of the flawed human species, despite the expertise of behavioural scientists! It increases the likelihood of committing mistakes in understanding, interpreting, or designing the choice architecture.

Fourthly, nudging should be applied with caution. The critics of nudge theory (Rizzo and Whitman, 2009; Selinger and Whyte, 2011; Ewert, 2019; Baldwin et al., 2011; Cartwright and Hight, 2020) have legitimate reservations about its application in numerous fields. Individual freedom is unquestionably curtailed when a better understanding of human behaviour is exploited to manipulate people's decisions. Filling the intention - decision gap via nudging is, in fact, involuntary as environmental changes tend to contextualise the decision maker's independence.

Decisions are reached by nudging compromise decision makers' ability and also the owner of their consequences in the immediate and far future. Hence, issues with nudging exist not just at the conceptual level, I.e. underlying assumptions and philosophy, but also at the level of the outcomes. Nudging has the limitation to side-line the main issues (Dholakia, 2016; Nguyen, 2019) and therefore muddles the

work of marketers and other experimenters. Studies comparing standard incentive systems to nudging reveal that using a single system alone is inadequate (Mont et al., 2014; Galle, 2014) and that combining them can be more effective (Mont et al., 2014; Galle, 2014). The main reasons for the failure of nudging in commercial spaces are - 1st–Marketer showing superior attitude, 2nd–Nudging is no guarantee for the attainment of the terminal aim, and 3rd–Nudging must be in the right quantity (Dholakia, 2016).

Fifthly, the real-life applications of nudging cannot and should not be generalised in the belief that if they work in a sample, they would also work in the overall population or if they have succeeded in a certain community or nation, they will produce similar effects everywhere (Selinger and Whyte, 2010; Bovens, 2010; Mont et al., 2014; Nisbett, 2015; Kaiser, 2018). For instance, two studies included in the review reported contradictory results as Huitink et al. (2020) claim that social norm nudges produce a favourable outcome to enhance healthy eating. On the contrary, Cheung et al.(2019) put a question mark on the application of Social Norm Nudge as the sale of product (i.e. yoghurt) remains considerably low even after applying social norm message. Nudges and nudging are extremely sensitive to context and scenario. People's judgments about paying taxes are different from those about food, and rightly so as the factors influencing the product in context are unique in terms of their relevance, priority and interdependence. As a result of this inaccuracy, it is feasible that nudges will not work or will backfire.

As errors, ingredient measurement might produce a dish that both the creator and the eaters dislike. Similarly, flaws in interpreting human behaviour, particularly customer behaviour, for a marketer can produce results that are far from anticipated. However, developing the correct option architecture to nudge the prospective customer into becoming a loyal customer is more complicated than simply typing 'nudge.' Inability to acknowledge the observations mentioned above serves as a warning to be ready for undesirable results.

Lastly, several research reports have revealed that obesity is one of the leading causes of global healthcare issues, and consequently, approx 28 lakh deaths are reported each year. India alone has over

13.5 crore people struggling with obesity, which is the major cause of cardiovascular diseases in the country (Ahirwar et al., 2019). This situation can be improved by encouraging people to adopt healthy eating habits while avoiding/refusing unhealthy junk food. Healthy eating refers to the lifestyle of choosing the food that gives all the nutrients required to support a persons' mental and physical wellbeing. Nudging can play a crucial role in this transformation because most studies included in this research paper were designed to enhance healthy eating among consumers. All these studies claim that nudging can be a useful tool to nudge consumer behaviour towards healthy eating.

Although education and knowledge are generally increasing, and consumers are becoming more interested in switching to healthy eating options, this may not be enough to effect rapid and long-term change. It should be remembered that the customer may have access to information on health benefits, etc., but there may be preference clashes due to cheaper pricing and tastier items, consequently leading customers to choose unhealthy choices.

Even though targeted nudging to influence the adoption of healthy eating has received huge global attention across numerous nations, but the researchers have not noted even a single study in the Indian setting. A large gap in the existing literature creates an opportunity for behavioural sciences and marketing researchers to contribute to filling this blank slot of using nudging to boost demand for healthy food products.

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Cointegration and Causality among Crude Oil, Gold, Exchange Rate and Sensex – An Empirical Investigation

Dr. Y. Arul Sulochana[*]

Dr. S. Rajkumar[**]

A b s t r a c t

The principal aim of this study is to identify the integration and causal association among Exchange rate, Gold, Crude Oil and Sensex Index. Around the world, various financial markets are integrated, and links between variables Crude Oil, Gold, Exchange rate, and Sensex invites special attention. The variables are analyzed using Johansen's cointegration Test, VECM and Granger's causality test. The data was collected for 10 years from October 2011 to October 2021. The weekly data of International crude Oil, Exchange rate, Gold and Sensex for the above mentioned period are considered for testing Cointegration and Causality. The result of the study confirmed that there is cointegration exists among Crude Oil, Gold, Exchange rate with Sensex. Vector Error Correction Model shows long term causal relationship from Crude Oil, Gold, Exchange rates to Sensex. Short term causal relationship from Crude Oil and Gold to Sensex. There is no short term causal relationship between the exchange rate and sensex.

Keywords: *Gold, Crude Oil, Exchange Rate, Cointegration, Causality*

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*   Assistant Professor, St. Joseph's Institute of Management, St. Joseph's College, Trichy
**   Assistant Professor, Xavier Institute of Management and Entrepreneurship, Bangalore

1. Introduction

Oil and Gold are the essential commodities demanded and traded internationally. India is the second-largest importer of Gold. Over the last five years, China accounted for around 30 per cent of the global demand.   India's demand accounts for 25 per cent. Investment in Gold is also increasing in nature. Gold is still used as reserves, the percentage in trend is reduced. It has been majorly changed with the aid of using the US dollar. Crude Oil and Gold prices are mentioned in US dollars. The fluctuations in the US Dollar transmitted to the economy through worldwide trade were affected by the changes in gold or crude oil prices. Economic principles indicate that a boom in crude oil charges outcomes in inflation, depreciation of Indian money and fall in the stock market (Raj et al., 2008).   To control inflation risk, traders began buying Gold so that the outcomes would flip in an upward push in gold prices. The demand for gold import will influence the exchange rates.

In the global economy, oil prices are considered a critical indicator of exchange rate movements (Amano and van Norden, 1998). Mostly, all the worldwide oil transactions are executed in the US dollar because the local currency is depreciated when the demand for oil increases. For all nations within the world, key economic activities are influenced by oil, mainly in developing countries (Pershin et al., 2016). In the current state of the economy, the association between oil and stock prices has become obvious (Chang and Yu, 2013). Arouri (2011) and Sadorsky (1999) specified that a surge in oil prices causes inflation, leading to a bearish stock market. Two frequently traded commodities with greater liquidity are Gold and Oil (Tiwari and Sahadudheen, 2015). Facts present in the oil markets are very significant for portfolio risk management and asset allocation because traders take the decisions based on this proof (Mensi et al., 2017). Lescaroux (2009), Turhan et al. (2014), Pindyck and Rotemberg (1990) portrayed that energy (Oil) and valuable metal (Silver and Gold) prices have positive connections with each other. Joy (2011), Capie et al. (2005) examined that the USD exchange rate is connected with prices of Gold and Oil. Gold is considered a secured asset when the value of the US Dollar drops in comparison with major currencies, which causes the gold price to rise

(Reboredo, 2012). Above stated studies confirmed that price patterns of oil and Gold influence the exchange rate. India is the fourth major importer of oil and one of the greatest consumers of Gold. Any global fluctuations in the prices of Gold and oil take a noteworthy impact on the Indian stock market and further economic doings.

The import of Gold and Oil creates a load of external debt, currency devaluation and economic instability. For making investment decisions, it is essential for the investors to have the right information about the market movements as the stock market swings rapidly. Many factors will affect the performance of the stock market performance including political instability, but we could feel the changes in Exchange rate, Oil prices and Gold prices. At the beginning of the Covid pandemic, the stock market crashed badly, but later, the Indian stock market outperformed. Due to the Bull run in the Indian stock market, FPI increased, which increased the currency value.

Henceforth, analyzing the impact of variation in oil prices, gold prices, and Exchange rates on the stock market will help various investors to make superior investment decisions. Recently Sensex and Nifty reached the historic high, and this study focused on whether any linkages between the selected commodities and exchange rate affect the stock market operations.

This paper investigates the interlinkages among the selected variables in the short and long run. Following the introduction, the review of literature related to the study is presented. Section 3 describes the research framework and section 4 describes the analysis and Interpretation, and Section 5 provides the research conclusion.

2. Literature Reviews:

Several researchers analyze the integration among Gold prices, Exchange rates, oil prices and the stock market. Earlier studies revealed the existence of a causal relationship amongst the variables considered.

Acaravci et al. (2012) examined the long-run relationship between stock price and natural gas price using the Johansen cointegration test and Granger Causality models based on the error correction for the 15 European Union countries. Findings suggested

that there is a long-term equilibrium relationship between industrial production, natural gas prices and stock prices in Denmark, Austria, Germany, Finland and Luxembourg. The Granger causality test indicated an indirect Granger causal relationship between Industrial production, Natural gas with the stock prices.

Ahmad et al. (2011) examined that the stock market of Asia is cointegrated with that of the US and Japan.

Anshual Jain and Biswal (2016) explored the relation among Crude Oil, Global prices of Gold, USD/INR Exchange rate and the Indian stock market. The dynamic concurrent linkages have been studied using DCC-GARCH models. The lead-lag linkages were studied using symmetric and asymmetric Non-Linear Causality tests. Empirical examination designated fall in crude oil prices and gold prices impacts to drop in the value of the Indian currency and Sensex the benchmark stock index.

Arshanapalli et al. (1995)

Atul Shiva and Monica Sethi (2015) investigated the relationship among Sensex, S&P CNX Nifty and USD/INR exchange rate for the period January 1998 to April 2014. The long-run and the short-run causal relation among these variables were studied using the vector error correction model. Cointegration among the variables is analyzed using Johansen cointegration. The presence of forecasting ability Gold price with S&P CNX Nifty and USD/INR exchange rate examined using Granger causality test.

Basher and Sadorsky (2006) examined the influence of oil price changes on a huge set of developing stock market returns. The conditional and the unconditional risk factors are allowed to investigate the association between emerging stock market returns and oil price risk using a Multi-Factor model. It was evident from the results that the oil price risk impacts stock price returns in developing stock markets.

Benhmad (2012) studied the linear and the non-linear causal relationship between the oil prices and the US Dollar exchange rate using the wavelet approach. Findings showed that there is a variation in the linear and the non-linear causal relationship between the real effective US Dollar exchange rate and the real oil price.

Dilip Kumar (2014) investigated Gold and the Indian Industrial sectors for the first and second-order moment transmission with a portfolio design application and effectiveness of hedging using generalized VAR-ADCC-BVGARCH model. Results revealed a uni-directional noteworthy return spillover from Gold to the stock sectors. Moreover, the findings resulted that the stock-gold portfolio delivers improved diversification opportunities than stock portfolios.

Gayatri and Dhanabhakyam (2014) attempted to investigate cointegration and causal relationship between the Nifty and the Gold price. The selected variables of the study witnessed conditional changes over a period of time, and which is necessary to validate the relationship. International gold price/ troy ounce and the daily NSE Nifty values for ten years from January 2003 to December 2013 are considered for this study with 2888 observations. The econometric tools are used to analyze the cointegration and the causal relationship of time series variables. The results exhibited a uni-directional causal relationship between the Nifty and the Gold price.

Kasibhatla et al. (2006)

Somnath Mukhuti and Amalendu Bhunia (2013) examined the integration amongst the domestic gold price, the crude oil price, the exchange rate, and India's stock indices for a period of 10 years i.e., from January 1991 to October 2012. In the course of the investigation, the Augmented Dickey-Fuller unit root test, Granger causality test and Johansen cointegration test are applied. The cointegration test results revealed that a long-term relationship exists between the selected variables.

Srivastava and Babu (2016) analyzed the Cointegration between Gold prices and the Nifty Index for a 10-year period from 2005 to 2014. The result found that data is in a stationary condition and a long-run causal relationship exist between the Nifty index and Gold. Also, a bi-directional causal relationship exists between Gold and the Nifty index.

Sujith and Rajesh Kumar (2011) attempted to investigate the dynamic association among Stock returns, gold price, oil price and exchange rate. The selected variables witnessed important changes over

a period of time. Daily data from 2nd January 1998 to 5th June 2011 are considered for this study. VAR and cointegration tools were used for this study. Results revealed that the exchange rate is highly impacted by the changes in other variables and a low-level long term relationship exists amongst the variables.

Suresh Kumar et al. (2020) studied the causal relationship between Gold, exchange rate, international crude oil prices, and the Indian stock market. Daily prices of selected variables for the period of five years from January 1994 to December 2019 are considered. The integration among the selected variables is examined using a Non-linear autoregressive distributed lag model (NARDL). The result indicated that the Indian stock market is affected positively by crude oil prices, and the stock market is negatively affected by exchange rates during the short run. Gold price does not make any impact on Indian Stock market performance.

Varsha Ingalhalli and Poornima (2016) studied the causal relationship between forex, gold, oil, Gold and stock markets for a period ranging from January 2005 till July 2015. The Granger causality test is employed to determine the forecasting ability of one variable over another. The findings suggested that a uni-directional relationship exists among the selected variables on the stock market. The oil price helps to forecast the exchange rate and gold prices. The Sensex index causes changes in the oil price.

3. Objectives of the Study:

1. To study the dynamic interactions among Gold, Crude Oil, Exchange Rate and Sensex

2. To establish the degree of association among Crude Oil, Exchange Rate, Gold with Sensex

3. To find out the short-run and long-run relationship amongst Crude Oil, Exchange Rate and Gold with Sensex

4. To identify the causal relationship among Crude Oil, Exchange Rate, and Gold with Sensex

4. Research Methodology:

4.1 Hypothesis of the study

The following null hypotheses are tested to study the integration and the causal relationship among the selected variables.

a. Data series are generally not distributed.

b. Gold price, Crude oil price, Exchange Rate and Sensex index prices are not stationary.

c. There is no cointegration among Gold price, Crude oil price, Exchange Rate and Sensex index

d. Gold Price, Crude Oil price and Exchange Rate does not Granger cause Sensex Index

4.2 Data and Sources of data

In this study, the closing values of weekly prices of the international gold price, the international crude oil price, the Exchange rate and the Sensex index for the period of ten years from 2011 to 2021 are considered. Investigation of causal relationship and integration is tested using the selected variables. Gold price is taken from World Gold Council, Crude Oil from international Energy Agency, Exchange rate from Foreign Exchange and the Sensex index value from the Bombay Stock Exchange of India. The Gold is measured in the USD/oz, Crude Oil in WTI USD/Barrel, Exchange rate in Indian rupee per US dollar and Sensex in Indian rupee. All the variables except the Sensex value are taken as per the US dollar because most of the trades are performed using US currency.

Table 1: List of variables studied and the sources

Variable Name	Website	Units
Sensex	www.bseindia.com	Index
Crude Oil	www.eia.gov	WTI crude oil spot price
Gold	www.gold.org	USD per troy ounce
Exchange Rate	www.ofx.com	USD/INR

4.3 Tools used for this study

Returns of the variables are used to identify the causal relationships, and weekly compounded returns have been calculated by using $r=(P_t-P_{t-1}/P_{t-1})*100$, where P_t is the current closing price. *Tools used for this study are*

Descriptive statistics and JB Test: Jarque Bera Method is used to assess whether the data is normally distributed or not. A goodness of fit test indicates whether the sample data have the skewness and Kurtosis that matches a normal distribution.

$$JB = n[\frac{S^2}{6} + \frac{(K-3)^2}{24}]$$

Where n=Sample size, S=Skewness coefficient and K=Kurtosis coefficient.

Unit root test: To check the stationarity of data

The augmented Dickey-Fuller Test Specification used here is as follows.

$$\Delta Y_t = b_0 + \beta Y_{t-1} + \mu_1 \Delta Y_{t-1} + \mu_2 \Delta Y_{t-2} + ... + \mu_p \Delta Y_{t-p} + u_t$$

Where

Y_t represents time series to be tested

b_0 is the intercept term

β represents the coefficient of the unit root test

μ_p is the parameter of the augmented lagged first difference of Y_t to represent the pth order of the auto regressive process, and u_t is the white noise error term.

The test statistics are compared with the critical values under H0. The critical values are given with 1%, 5% and 10%. If the test statistics are much lower than all critical values, the null hypothesis will be rejected at a particular significance level. Hence we can conclude that the time series has no unit root and reject the null hypothesis. The Augmented Dickey-Fuller test helps the researcher to proceed to the next level. Econometric studies can be continued only if the selected variables are stationary.

Johansen's Cointegration Test and Vector Error Correction Model: To measure the interdependency of the selected variables. Johansen's test results are compared using Trace value and Maximum Eigenvalue. Long-run and short-run relationships are verified using Vector Error Correction Model. The Johansen test approaches the testing for cointegration by examining the number of independent linear combinations (k) for an (m) time series variables set that yields a stationary process.

$$X_{1,t} = \alpha_1 + \gamma_1 Z_{1,t} + \gamma_2 Z_{2,t} + \cdots \gamma_p Z_{p,t} + \epsilon_{1,t}$$
$$X_{2,t} = \alpha_2 + \emptyset_1 Z_{1,t} + \emptyset_2 Z_{2,t} + \cdots \emptyset_p Z_{p,t} + \epsilon_{2,t} ....$$
$$X_{m,t} = \alpha_m + \varphi_1 Z_{1,t} + \varphi_2 Z_{2,t} + \cdots \varphi_p Z_{p,t} + \epsilon_{m,t}$$

Granger's Causality Test: This test will identify the causal relationship among selected variables with Sensex. Let Y and Y be stationary time series. "*X is said to Granger-cause Y if Y can be better predicted using the histories of both X and Y than it can by using the history of Y alone.*"

$$Y_t = a_0 + a_1 Y_{t-1} + _{.....} + a_p Y_{t-p} + b_1 X_{t-1} + ... + b_p X_{t-p} + u_t \quad (1)$$
$$X_t = c_0 + c_1 X_{t-1} + ... + c_p X_{t-p} + d_1 Y_{t-1} + ... + d_p Y_{t-p} + v_t \quad (2)$$

We can test for the absence of Granger causality by estimating the following VAR model:

Then, testing H_0: $b_1 = b_2 = ... = b_p = 0$, against H_A: 'Not H_0', is a test that X does not Granger-cause Y. Similarly, testing H_0: $d_1 = d_2 = ... = d_p = 0$, against H_A: 'Not H_0', is a test that Y does not Granger-cause X. In each case, a rejection of the null implies there is Granger causality.

5. Analysis and Findings:

5.1 Descriptive Statistics:

Descriptive statistics helps to explore the distribution properties of daily returns and summarize the data to find out the normality of time series.

Table 2: Descriptive Statistics

	Crude Oil	Exchange Rate	Gold	Sensex
Mean	0.140478	0.084874	0.031751	0.280923
Std. Dev.	5.169376	0.900625	2.122262	2.320149
Skewness	-0.012264	0.117781	-0.163104	0.004113
Kurtosis	9.634963	4.73017	4.660584	7.160322
Jarque-Bera	963.0103	66.69637	62.64889	378.6201

The above statistics clearly show that the index Sensex resulted in a higher return (0.28) with a lower risk (2.32). Crude oil possessed the highest risk level (5.16) compared to all the variables. For any data to be random, it should possess the characteristics of a normal distribution. Skewness and Kurtosis are considered as the important distribution properties of normal distribution. Both the values are equal to 0 and 3, respectively. Hence we conclude that the data is not normally distributed.

5.2 Unit Root Test

Unit Root Test helps to check the stationarity and find out shocks in time series. Data series mean and variance are consistent over time. It is said to be stationary and vice versa. The most suitable and commonly used test is the Augmented Dickey-Fuller test. The below table shows the results of unit root for Level and First difference.

Table 3: Augmented Dickey-Fuller Test Result

Variables	Level		1st difference		Deci-sion
	t-Statis-tics	Proba-bility	t-Statis-tics	Proba-bility	
Crude Oil	-1.506444	0.5298	-20.54984	0.0000	I(1)
Gold	-1.364740	0.6003	-23.93970	0.0000	I(1)
Exchange Rate	-1.835159	0.3633	-20.76210	0.0000	I(1)
Sensex	1.473133	0.9993	-22.79784	0.0000	I (1)

If we consider the first difference of all the variables, there is no evidence for unit root because the probability value is less than 5%. The null hypothesis can be rejected, and the variables are stationary at the first-order difference I(1) for all the selected variables. Hence, we can employ Johansen's Cointegration test to see these variables are cointegrated or not.

5.3 Cointegration Test

Johansen's Cointegration test was used to find out the presence of cointegration between the variables in the long run. The Trace test result indicates that four cointegrating equations are at a 5% significant level. It clears that four linear combinations exist between the variables over the entire time period. If trace statistics is more than the critical value, we will reject the null hypothesis, which means there is a Cointegration between the variables.

Table 4: Johansen's Cointegration Test Result

Sample (adjusted): 11/06/2011 10/17/2021				
Included observations: 520 after adjustments				
Trend assumption: Linear deterministic trend				
Series: SENSEX CRUDE EXCHANGE_RATE GOLD				
Lags interval (in first differences): 1 to 4				
Unrestricted Cointegration Rank Test (Trace)				
Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	5% Critical Value	Prob.**
None *	0.256546	420.9170	47.85613	0.0001
At most 1 *	0.188780	266.7636	29.79707	0.0001
At most 2 *	0.154940	157.9714	15.49471	0.0001
At most 3 *	0.126672	70.43088	3.841466	0.0000
Trace test indicates 4 cointegrating eqn(s) at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				

The result of Maximum Eigenvalue was also analyzed to verify the result of Johansen's trace test. When the variables are more than two, the maximum eigenvalue test result is used to evaluate the cointegration among variables.

Unrestricted Cointegration Rank Test (Maximum Eigenvalue)				
Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	5% Critical Value	Prob.**
None *	0.256546	154.1534	27.58434	0.0001
At most 1 *	0.188780	108.7923	21.13162	0.0001
At most 2 *	0.154940	87.54049	14.26460	0.0000
At most 3 *	0.126672	70.43088	3.841466	0.0000
Max-eigenvalue test indicates 4 cointegrating eqn(s) at the 0.05 level				
* denotes rejection of the hypothesis at the 0.05 level				
**MacKinnon-Haug-Michelis (1999) p-values				

The result of the Maximum eigenvalue test statistics shows that four cointegrating equations exist at a 5% critical value. Hence we can conclude that a cointegrating relationship exists between the variables throughout the sample study period of 10 years.

5.4 Vector Error Correction Model

The Cointegration results showed that a Cointegration exists among the variables. If variables are cointegrated, it is necessary to identify the existence of long-run or short-run causality relationships among the selected variables. The necessity is

fulfilled with the help of running a restricted VAR model, i.e. Vector Error Correction model.

Table 5: Long run causal relationship running from Crude Oil, Gold, Exchange Rate to Sensex

Dependent Variable: D(SENSEX)				
Method: Least Squares				
Sample (adjusted): 10/23/2011 10/17/2021				
D(SENSEX) = C(1)*(SENSEX(-1) - 0.280333668298* CRUDE(-1) + 1.16518821283*EX(-1) + 0.434570370841* GOLD(-1) - 0.358221613515) + C(2)*D(SENSEX(-1)) + C(3)*D(SENSEX(-2)) + C(4)*D(CRUDE(-1)) + *D(EX(-2)) + C(8)*D(GOLD(-1)) + C(9)*D(-GOLD(-2)) + C(10)C(5)* D(CRUDE(-2)) + C(6)*D(EX(-1)) + C(7)				
	Coefficient	Std. Error	t-Statistic	Prob.
C(1)	-0.761584	0.064175	-11.86728	0

Long-run causality will be running from independent variables to dependent variables if C(1) is negative in sign and significant. From the above table, it is interpreted that the long-run causality runs from independent variables viz. Crude oil, Gold and Exchange rate to Sensex, the dependent variable. This study reveals that there is a negative coefficient for C(1), i.e. -0.761, and the probability value is less than 5%.

Table 6: Short-run Casual relationship running from Crude Oil, Gold, Exchange Rate to Sensex

Test Statistic: Chi-Square				
Variables	Null Hypothesis	Value	df	Probability
Crude Oil	C(4)=C(5)=0	36.87068	2	0
Exchange Rate	C(6)=C(7)=0	1.753132	2	0.4162
Gold	C(8)=C(9)=0	23.67051	2	0

From the above result, it is interpreted that short-run causality runs from the independent variables Crude oil and Gold to Sensex. The probability value of the Exchange rate is 0.4162, which is more than 5%, which indicates that there is no short-run causal relationship running from the Exchange rate to the Sensex index.

5.5 Granger's Causality Test:

After examining stationarity and cointegration, the next step is to know the direction of causality. For this purpose, we are applying the Granger causality test. Table 7 represents the result of Granger's causality test.

Table 7: Pairwise Granger's Causality Test

Null Hypothesis	F-Statistic	Prob.
CRUDE does not Granger Cause SENSEX	9.11091	0.0001
SENSEX does not Granger Cause CRUDE	3.98741	0.0191
EXCHANGE RATE does not Granger Cause SENSEX	62.1045	7.00E-25
SENSEX does not Granger Cause EX-CHANGE RATE	0.07867	0.9244
GOLD does not Granger Cause SENSEX	0.12784	0.88
SENSEX does not Granger Cause GOLD	1.00778	0.3657

The above table shows the result of the pairwise Granger's causality test. This test helps to determine the causal relationship between independent variables and the dependent variable. There is a bidirectional causal relationship between Sensex and Crude Oil, and a uni-directional causal relationship between Exchange Rate and Sensex. The null hypothesis is accepted, and Sensex does not Granger cause Exchange Rate because the probability value is more than 5%. There is no causal relationship between Sensex and Gold, and the probability value is greater than 5%.

Conclusion:

The empirical analysis attempts to study the interdependence and causal relationship among Crude Oil, Gold, and Exchange Rate with Sensex Index. By employing Johansen's cointegration test, Vector Auto Regression Error Correction Model and Granger's causality test. The result indicates that there are four cointegrating equations that exist at a 5% significance level which supports Cointegration among Crude Oil, Exchange Rate and Gold with Sensex. Vector Error Correction model supports that there is a long-run causal relationship running from Crude Oil, Gold and Exchange Rate to the Sensex index. Moreover, a short-run causal relationship runs from Crude Oil and Gold to Sensex, where there is no short-run causal relationship from Exchange Rate to Sensex. Granger's causality result indicates that there is a bidirectional relationship between Crude Oil and Sensex, and there is no causal relationship between Gold and Sensex. The study results would help the investors to understand the market condition. The changes in Gold price and Crude Oil will impact the stock market performance.

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Challenges and Future Prospects for the Indian MSME Sector:
A Literature Review

Dayanand Trimukh Hattiambire[*]

Dr. Prabhakar Harkal[**]

A b s t r a c t	*There are more than 6.33 crore Micro, Small and Medium enterprises spread across the length and breadth of India. More than half of these are based in rural areas and thus help develop the rural economy and generate local employment for workers in the region. These firms also contribute a third to the national gross value added (GVA) and close to a third to India's gross domestic product (GDP) and employ over 11.1 crore workers. MSMEs are also a catalyst in the social welfare of Indian society. A greater share of MSME is led by women (20%) and backward classes (66%) as compared to a fewer woman (17%) and backward groups in senior corporate positions. And a greater share of MSME jobs is held by women (24%) in contrast to the lower national women labour participation rate (20%). Policymakers also understand the importance of MSMEs and have supported these firms in their rapid growth over the last two decades with access to funds, and, technology and managerial expertise. Despite this, Indian MSMEs face a number of challenges related to access to bank credits, lack of strategic management, financial literacy, attracting and retaining talent, etc. This article reviews literature on challenges faced by MSMEs and the future prospects of the sector.*

Keywords: *Financial performance evaluation, MSMEs, Nanded, Small-scale industries, Data envelopment analysis (DEA)*

*   Research Scholar, School of Commerce and Management,Yashwantrao Chavan Maharashtra Open University, Nashik, Email: hattiambire_dt@ycmou.digitaluniversity.ac

**   Research Guide, YCMOU & Ex-Associate Professor, School of Commerce and Management,Dnyanopasak College of Arts, Commerce, Science, and Technology, Parbhani , Email: harkalpy@gmail.com

Introduction

The 73rd National Sample Survey (NSS) [1] estimated that there were more than 6.33 crore non-agriculture micro, small and medium enterprises (MSMEs) engaged in various services and manufacturing industries. Over 99% of these are micro-enterprises [2]. Between 2006-07 and 2015-16, the number of MSMEs grew from 3.62 to 6.33 crores [1] [3]. The last major policy revision set a new set of qualification criteria for registration as a micro, small or medium enterprise [4]. With effect from July 1, 2020, the capital investment cap has been increased. So, more enterprises qualify under the new definitions. It also introduced annual turnover as a second criterion and ruled out the distinction between enterprises.

Table 1 Classification of MSMEs

	Old definition (Inv.)		New definition	
	Mfg.	Services	Inv.	Turnover
Micro	₹25 lakhs	₹10 lakhs	₹1 crore	₹5 crore
Small	₹5 crore	₹2 crore	₹10 crore	₹50 crore
Medium	₹10 crore	₹5 crore	₹50 crore	₹250 crore

*The indicated numbers are the upper limits.

Nagaraj and Vaibhav [5] suggested two major reasons behind the recent change. Since the last update, the increase in caps has been meant to account for inflation. It could also support growing startups to achieve economy of scale before they disqualify for benefits under the MSME schemes. The authors also estimated that an additional 2597 enterprises qualified under the new definition with an average capital of ₹22.6 crores and ₹87 crores of annual turnover.

The MSME sector account for about a third of the national gross value added (GVA) and contributed nearly an equal ratio to the national gross domestic production (GDP). A detailed breakup of their contribution to the national GVA and GDP is illustrated in Table 1. Close to 60% of these enterprises engage in labour-intensive manufacturing activities and employ over 3.60 crore workers in the manufacturing sector alone [2]. Those engaged in electricity, trade and other services employed an additional 7.49 crore workers.

Table 2 Contribution of MSMEs in Indian GVA and GDP at current prices (in ₹ Crore)

Year	Total MSME GVA	Total GVA	Share of MSME in Total GVA (%)	All India GDP	Share of MSME in All India GDP (%)
2014-15	36.58 L	1.15 Cr.	31.80	12467959	29.34
2015-16	40.59 L	1.25 Cr.	32.28	13771874	29.48
2016-17	45.02 L	1.39 Cr.	32.24	15391669	29.25
2017-18	50.86 L	1.55 Cr.	23.79	17098304	29.75
2018-19	57.41 L	1.71 Cr.	33.50	18971237	30.27

Source: CSO, M/o Statistics and Programme Implementation

Women accounted for 24% of these 11+ crore workers: 27% in rural enterprises and 20% in urban enterprises. The average 24% is still greater than the national labour participation of women at only 20.8%. In fact, between 2005 and 2019, the labour participation of women in India has declined from 31.8% to 20.8% [6]. Only 17% of senior corporate roles are held by women in India, whereas women own 20.37% of all MSMEs in the country [7] [2]. Backward classes, including scheduled communities, own more than 66% of all MSMEs [2]. In comparison with large urban-based corporates, MSMEs offer a greater role for women and backward classes, many of whom are also poor and less educated. A majority of these enterprises are based in rural areas and help generate local employment opportunities.

The Ministry of Micro, Small and Medium Enterprises (M/o MSME) overlooks the MSME sector. The ministry is responsible for the regulation of the sector, intelligence, and for the implementation of policies related to MSMEs. The Micro, Small and Medium Enterprises Development Act, 2006 is the principal legislation governing the sector. Prior to the Act, the sector was known as Small-Sector Industries (SSI). The Act created the M/o MSME by combining the ministries of small-scale industries and agro & rural industries. M/o MSME performs its responsibilities with the help of six divisions and several statutory bodies such as the Khadi and Village Industries Commission (KVIC) and the Coir Board.

The sector has changed over the last decade: from a two-fold growth in registered enterprises to the rise of service enterprises. Policymakers have also attempted to keep up to date with these changes and

supported the growth of the sector in major ways, yet the sector continues to face challenges from lack of access to bank credits to lengthy paperwork needed to start a business in the country. Lack of expertise and archaic technology also hold these enterprises back from competing with corporates that are increasingly eating into their business. The current article is a review of the latest research into the challenges faced by MSMEs, possible solutions and growth prospects of the Indian MSME sector in the coming years.

Challenges faced by MSMEs

Access to bank credits

Capital is important for the growth and development of MSMEs. Despite various govt. initiatives and clear instructions from the Reserve Bank of India encouraging the flow of credits to smaller enterprises, access to bank credits remains the number 1 challenge to most MSMEs [8]. Despite the fact that India has one of the largest banking networks for a country, the provision of finance to grass root level businesses remains an enormous challenge. A national level research observed that "there are strong structural underpinnings to the inadequate flow of finance: the organisational structure of banks, and processes within them, have taken far from task orientation, and have created a specific partiality against small loan portfolios" [9].

The Indian MSME sector's expansion is being stifled by a lack of access to suitable financing. Banks' information irregularity and efficiency in dealing with MSMEs in the Indian context, whether transaction lending or lending based on a relationship with small businesses is appropriate to deal with the information issues or should lending be based on the relationship with the small businesses. Banks are the primary source of financing for businesses. As a result, they play an important role in financing smaller businesses, which are unable to access financial markets for finance. Low-risk borrowers, such as major corporations with lucrative investments and good collateral, are preferred by banks. Small businesses are high-risk borrowers, which makes it not only difficult for them to get their loan requests approved but even when they are approved, these businesses are offered loans at a higher interest rate. On the contrary, according to a report, MSMEs

have had the lowest default rate in business loans [10]. Where the non-performing asset (NPA) for corporates stood at 19.7%, as of January 2020, that for MSMEs was only 12.5%. Despite this, loan requests of MSMEs are looked down upon, and they struggle to get loans at reasonable interest rates.

Since a healthy and thriving MSME sector provides a robust foundation for entrepreneurship and economic growth [11], policymakers and governments have been paying close attention to how to help the sector grow. Because of their smaller size and lack of access to formal forms of external funding like loans, MSME's are less likely to contribute to economic growth. MSME's growth restrictions can be alleviated, and its access to external financing improved through institutional and financial development [12].

For small companies, financing obstacles are more growth-constraining and hinder them from achieving their optimal size. This is especially true for small businesses. In terms of operating capital and investment, small enterprises rely on formal financial sources for a smaller share of their total funding than large firms. MSME's access to funding is limited by the structure of the financial sector, and specific financing instruments and strategies are necessary for small businesses to overcome these limits. Relationship banking has always been regarded as a trait of a financial system that supports small and medium-sized enterprises (SMEs). Financial instruments like factoring and credit scoring have highlighted the advantages of major banks in giving loans to tiny, unknown businesses [13] [14].

The lender's costs, connected with the prospective insolvency of the borrower, increase, thereby resulting in a decrease in lending to small businesses. The financial difficulties of small businesses are exacerbated by this. Purchasing raw materials, training programmes, promotion of current or new products, import and export of items, and other normal tasks might be hampered when a company's finances are precarious. In order to remain competitive, businesses must have the resources to maintain and expand their operations. MSMEs face challenges in acquiring funding for these activities. According to research, government involvement in these activities, such as setting up special funds to assist MSMEs in starting their first firm, is warranted

[15]. A fundamental difficulty in India's financial system is that there is a lack of information about the finances of MSMEs. Consequently, traditional lending institutes like banks are reluctant to lend to small businesses [16].

Strategic financial management

Competitiveness is directly linked to the allocation of funds or resources to specific departments in a systematic budget system or simply earmarking [17]. Organisational strategic planning is a continuous and open process that includes the development and evaluation of strategies, as well as the formulation of goals. According to research, MSMEs' financial performance is linked to strategic planning [18]. Literature indicates that most MSMEs do not engage in strategic financial planning. On the contrary, most literature also supports the view that small businesses should actively plan their finance to effectively compete and survive in the market in the long run [19]. Mazzarol found that most small-scale entrepreneurs were myopic with the survival and competitiveness of their business [20].

Setting long-term organisational goals, developing and implementing methods to attain these goals, and allocating financial resources required to achieve these goals are part of systematic budget planning. The primary goal of a strategic budget system is to help a company acquire a long-term competitive advantage over its rivals. More recently, patented items that use new processes and management technologies that are more innovative and achieve international expansion are found in companies who plan their budgets [21].

As a result, MSMEs are typically hindered by capacity issues that prevent them from effectively utilising the funds they have at their disposal. Remote control, telephone management, or even weekend management are common methods for running many businesses. Financial resources must be used more efficiently under this management approach. Lack of planning and control, lack of finances, no goals, no budgets, and lack of proper management leads to a lack of utilisation of the resources that are available [22]. MSMEs have only a limited understanding of risk, profitability, and feasibility [23].

There are a variety of financial tactics employed to maximise the usage of available funds. The idea of a strategy is that it serves the needs of an organisation and its competitors at the same time. It is described as the company's plans and actions that affect the company's portfolio of activities. It's possible to think of this operationally as the degree of diversification that has been achieved, how that diversification is managed, and how it was obtained [24]. Two aspects of competitive strategy are investing in firm-specific assets and positioning the firm in the marketplace. It was determined that investments are needed in assets like expertise, R&D capabilities, etc. Competitive advancement and the uniqueness of a firm may be enhanced by firm-specific assets that are difficult to use as security for borrowing and cannot be unnecessarily redeployed [25].

Technical competency

Technology is essential to the growth of any organisation because it aids in the formulation of a multi-pronged strategy as well as in maximising commercial opportunities. Business agility and innovation can be fuelled by MSMEs' use of technology [26] [27]. Traditional methods and out modelled technologies are being used by the majority of rural MSMEs today. Unlike in the past, the competition today is fierce, and large enterprises continuously look for a way to enhance their competitive edge.

These are additional challenges to be met in today's globalised world. Businesses not only compete with other businesses in the same area but also with multinational corporates from other countries. China is considered the world's manufacturing backyard, and its companies have undercut the profit of all kinds of businesses in India and elsewhere [28]. An industry's success is directly linked to the efficiency and effectiveness of its manufacturing methods and the technologies they employ, its ability to market its products, and efficiency in terms of cost, time, and logistics. Businesses that have been successful in the past may not continue to be so in the future [29]. As time and the environment change, entrepreneurs will have to constantly alter their businesses to keep up. Entrepreneurs will have to put in the effort, time, and money to be up to date and be aware of the latest developments. The failure to keep up with the rapid

changes occurring around them results in industrial losses and illnesses. They are left out. It is traditional wisdom to invest a portion of a company's profits towards future growth in the form of education, research and development (R&D), or tie-ups with educational institutions and research laboratories [30] [31].

The MSME industry in India's expanding global market is hindered by poor technological levels. As a result, the long-term viability of most small and medium-sized enterprises is in jeopardy because of cheap foreign imports and multinational corporations [32]. In summary, studies have shown that technical innovation is critical to the growth of small and medium-sized enterprises' global competitiveness [33] [34].

Procurement of raw material and logistics

Nearly 60% of all MSMEs in India are manufacturing enterprises. For these enterprises, raw materials are the base components, and without these, there is no production and no enterprise [35]. The translation of raw materials into completed commodities is an integral part of any nation's economic growth, and raw resources are an important part of this process. Reality and experience have demonstrated that in order for an economy to grow, the proportion of industrial production in the economic activity must grow exponentially. As a result, the world's most advanced countries are industrialised nations since a major part of their GDP comes from manufacturing and industrial sectors [36] [37].

Agriculture, chemicals, mining, and most recently, petrochemicals are the primary sources of raw materials for industrial production. When it comes to industrial manufacturing, a huge number of companies in less developed countries rely on raw materials from other countries. To put it another way, they import raw materials from other countries in order to continue their industrial output. As a result of this circumstance, developing countries have abundant raw materials to produce their own goods [38].

As a result of limited resources and logistical issues, small businesses are increasingly forced to source raw materials from within their own region. Raw materials are scarce in some locations, or if they are available, they are either of poor quality or extremely expensive. The lack of manufacturing capacity results in higher production costs and decreased profitability for small businesses [32]. A company's market share is directly related to its ability to efficiently manage its raw materials [39] [40]. The paucity of raw material sources is one of the most severe restraints on the production capacity of small and medium-sized enterprises (SMEs). According to a study, MSMEs are often unable to take advantage of economies of scale in procuring materials due to their small size and lack of purchasing power [41]. Because they buy in modest quantities, these companies only buy a small amount of raw materials. Compared to bulk purchases, the price per unit is higher. On the other hand, corporates can even deal with the producer of the raw material directly, as in the case of Pepsi co., which directly deals with farmers for the procurement of potatoes for the production of its Lays chips. This allows corporates to secure an adequate amount of raw materials at a much cheaper cost well ahead of production.

If your manufacturing facility is located in an area with poor transportation infrastructure, the importance of logistics will be even more critical to your success [42]. Transport costs for completed goods and raw materials directly impact the manufacturing facility's profitability. There are few transportation options for a company unit in a poor location, and those available charges a premium for their service. Because there are fewer competitors in transportation, the reliability of these fewer services that are available is also a problem.

Human resources

Employees are the most potent asset of any enterprise in the new skill-based economy, and small firms face difficulty attracting and retaining talents [43]. There are different factors affecting the talent retention rate, some within the scope of the management to correct while others outside their scope. Organisational culture, training of employees, and keeping them motivated are a few things within the management's scope to retain employees. Employees may as well seek better opportunities which big corporates offer and which is outside the management's realm to retain such talents seeking growth elsewhere.

An important focus of organisational climate literature has been on the impact of interpersonal interactions within the workplace. Employees' feelings, thoughts, beliefs, and responses to the organisation are all tied to the organisation's climate. However, persons in positions of authority inside the organisation may attempt to manipulate this [44]. Shim [45] described the organisational atmosphere as "Employees' mutual knowledge and opinion with others in their workplace". Small businesses have a more informal work environment, but not necessarily more relaxed. As a result, there are fewer written records and instructions. People who aren't familiar with this way of life tend to think that informality equates to careless behaviour. There is a major difference between small and large organisations in the level of managerial participation.

In order to fulfil an organisation's goals, creating an environment where employees are motivated to work with fervour, initiative, and excitement while maintaining a feeling of discipline, responsibility, and loyalty is the primary goal of motivation [46]. Employees are encouraged to grow through the employment of motivational approaches. Reward systems and formal authority are two methods used by some managers to entice their staff. The concept of growth, learning, teamwork, compensation and other advantages are all part of it [47].

Training is one of the most important ways in which technological knowledge and skills are transferred and innovative capabilities are established and improved. However, the majority of MSMEs prefer to do their training in an informal manner. Even though public training institutes play a critical role in providing information and skills to production workers such as technicians, craftsmen, and other middle-level employees, its impact on the innovative capacities of those trained has been minor [48] [49]. Unfortunately, training is the first thing to receive a cut in difficult times.

Future Prospects

Ease of doing business

Incentives, regulatory clearances, and labour regulations at the state and federal levels can all help to make business easier for India's MSME sector, which has the potential to drive the country's

economic growth. Streamlining laws and processes, as well as offering clear guidance on future regulatory requirements, could continue to improve the ease of doing business in India. Many small and medium-sized businesses benefit significantly from industrial strategies that target to promote the growth of specific industries and activities. Economic growth is shifted from the service sector to manufacturing in order to gain productivity gains and access to global value chains. Manufacturing is an essential aspect of huge corporations.

Promotion of foreign direct investment (FDI)

India's FDI policy is one of the most liberal in the world, allowing 100% FDI under the automatic route in several industries. It is equally applicable to small and medium-sized enterprises (SMEs). Modern and cutting-edge technology can help boost the productivity and competitiveness of small and medium-sized enterprises (SMEs) by attracting investment and bringing it into the country. It is possible that foreign direct investment (FDI) can bring in multinational corporations that enhance job creation, tax income, and aggregate productivity. In most countries, policies and investment strategies are designed to attract huge multinational corporations. These tactics have the potential to rapidly boost the market share of huge corporations.

Development of MSME clusters

As much as practicable, a cluster is a collection of businesses that operate within the same general geographic area and offer products and services that are similar or identical. For example, autos, food processing, textiles, and pharmaceutical industries should benefit from initiatives that support MSME clusters. The government has embraced the Cluster Development method, aiming to boost MSMEs' productivity and competitiveness while also boosting their collective potential. As a collective, these clusters can benefit from the advantages of scale and scope in order to boost productivity and employment in their respective areas of focus.

Use of technology

Increasingly, technology is being viewed as a business enabler and a critical tool for streamlining and standardising processes. A strong emphasis on implementing new-age technology, developing

indigenous technology, and collaborating with global technology partners is anticipated to play a significant role in developing a competitive advantage for MSMEs in the global market. Scaling up and becoming a part of global value chains is critical for MSME, which relies heavily on technology.

Access to capital

The potential of small and medium-sized enterprises (SMEs) to stimulate economic growth and create jobs is hindered by their inability to secure enough financing. IFC's 2018 MSME finance gap report indicates that MSMEs in India need $1.4 trillion in debt and equity financing, which amounts to $1.1 trillion in debt and $283 billion in equity. The government can help small and medium-sized enterprises (SMEs) compete and expand globally with the right policy interventions and support for the MSME sector. A mid-sized company's ability to expand into a large one should not be hindered by a lack of access to institutional financing. A variety of programmes, including the Credit Guarantee Trust Fund for Micro and Small Enterprises (CGTMSE), the Micro and Small Enterprise Cluster Development Programme (MSE-CDP), and the Scheme for Promotion of Rural Industries and Entrepreneurship (ASPIRE), have been designed to help MSMEs get the capital they need.

Conclusion

The MSME sector has changed over the last decade: from a two-fold growth in registered enterprises to the rise of services enterprises. The MSME sector accounts for nearly a third of India's GDP and contributes significantly to the Indian society. The sector is an indispensable part of the Indian society, and policymakers have attempted to support it as such. Yet, MSMEs continue to face challenges from the lack of access to bank credits to lengthy paperwork required to start a business in the country. The globalisation of the world's economies has sparked an unprecedented level of rivalry because of technological advancements. Rivalry from low-cost producers in emerging economies at home and abroad is increasingly significant in today's price-oriented competition [50]. There are numerous impediments to innovation, such as resource constraints, that limit the ability of small and medium-sized enterprises (SMEs) to develop and commercialise new goods, processes, or services

[51]. Studies have pointed out several problems common to many MSMEs: financial management, access to credit, lack of skilled talent, procurement of raw materials, and logistics. Lack of expertise and archaic technology also hold these enterprises back from competing with corporates that are increasingly eating their business. Challenges like these affect the growth of an important sector that contributes a third to India's GDP, employs over 11 crore workers, and is a catalyst to the wellbeing of the Indian society.

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Perception of Indian Consumers at Traditional Stores and Shopping Malls

Nilakshi Roy Medhi[*]

Md. Abdur Rashid[**]

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Consumer behaviour is the most vital element in a rapidly changing retail business environment. This study attempted to examine the significant difference of product, salesman behaviour and service attributes on consumer choice for traditional stores and shopping malls. A structured questionnaire has been developed for collecting the primary data from 400 respondents. The samples selected for this study are the consumers having access to traditional stores and shopping malls in Guwahati city from 31 GMC Wards under the Guwahati Municipal Corporation using a random sampling method. In this study, the reliability of the scale and validity were measured using Cronbach's alpha. The overall Cronbach's alpha value obtained is 0.9, which shows the high reliability of the scale and thereby, it is valid to use this scale for further analysis. The use of the z-test revealed that the overall product, salesman behaviour and service attributes on consumers' choice of traditional stores and shopping malls are significant.

Keywords: *Indian Retail, Consumer Perception, Traditional Stores, Shopping malls*

*   Department of Commerce, University of Science & Technology, Meghalaya, India. Email: niluroymedhi@gmail.com
**   Department of Commerce, University of Science & Technology, Meghalaya, India. Email: marashidmcomllb@gmail.com

1. Introduction:

In the 1880s, the retailing system took the shape of mom-and-pop stores, which were family-owned small stores and independent businesses. These stores were plentiful with low merchandise, popularly known as *Kirana*/mom and pop shops or traditional stores. The establishment of these stores was mainly to cater to the needs of the local people. It took a pretty long time to shape the retail sector into today's modern system. Shopping malls have emerged as a relaxation destination where consumers visit not only for shopping but for amusement, leisure, fun, interest and enjoyment. So, a retailer has to understand the consumer perception and enhance the image of his stores to succeed in this business. The first few companies to come up with modern retail chains were Bombay Dyeing, Titan etc. Over time, many entrants moved on from manufacturing to pure retailing. The demand at present has been gradually increasing by leaps and bounds. A young working population, rising living standard, nuclear families in urban areas, rise in income, high literacy rate, and increasing working-women population are the growth drivers of the modern retail sector in India. (Saxena, 2005).

According to the Global Retail Development Index report, Indian retailing has scored the second position with a population of 1.37 billion, GDP per capita of $7,874, and total retail sales of $1,202 billion in the 2019 Global Retail Development Index. India's retail market is expected to reach $1.4 trillion by 2021 and grow at 18 per cent in the next five years (Kearney, 2019). India is one of the fastest-growing retail markets in the world, with 139.26 crores of people.

The Indian retail sector has marked an impressive and tremendous growth being the second-largest consumer market and seventh-largest retail market worldwide (Müller, 2011). Presently, the Indian retail industry scenario has changed immensely and is very much dynamic and varied. The expansion of the modern retail sector to single-brand and multi-brand retail has improved a good situation, which has fascinated many foreign players to promote their brand name into India. Indian retail industry has anticipated a rise to $1.3 trillion by 2020 from $672 billion in 2017 (Urs, 2018). According to the India

Brand Equity Foundation report, in single-brand retail and multi-brand retail, a cent per cent and 51 per cent respectively have been approved for foreign direct investment. A large scale of international brands entered the Indian markets (IBEF 2019).

Malls came into existence during the 1980s in America as a popular destination for shopping and recreation (Kowinski, 1985). A shopping mall is defined as a group of establishments that is planned, developed, managed and owned as a single unit (Armstrong, 2002). The malls have entered India with a motive of offering convenient shopping, entertainment and food under one roof (Rao, 2018). The main reason for the growth of shopping malls in India is the fast-growing middle class with higher discretionary income, the habits of Indian consumers for a new shopping experience, influence of media and marketing communications resulting in changing lifestyle and perception of consumers on shopping (Garg, 2015). Nowadays, consumers visit shopping malls not only to buy goods and avail services but also for entertainment. This change has made retailers' jobs more challenging to attract and retain consumers and satisfy their needs and wants. Thus, shopping malls are growing at a fast pace.

Guwahati is emerging as the fastest developing city and the commercial hub in the entire North East Region where maximum development of shopping malls, the organized format of retailing has been recorded. The city, commonly known as "The Gateway of North East India", has been providing enormous opportunities for modern retailers and is said to have good commercial prospects. Shopping malls are coming up all over the city, thus flourishing in the region. HUB is the first shopping mall in Guwahati, which was opened in 2003 located on the main GS Road, near Bhangagarh. It has spread over 25000 sq. ft and started its journey 18 years back with a vision to provide a whole new shopping experience. At one point of time, the HUB was also a favourite destination for 7D cinema, which is now closed due to the current pandemic situation. Central Mall is another one-stop destination shopping mall located in Zoo Road with a promise to change the fashion benchmark of the city forever. It offers more than 500 domestic and international brands to customers, established in 2019.

2. Review of Literature:

The selection of the research topic was based on the current retail scenario in society. In the last two decades, there has been a significant growth of shopping malls. According to Bloch (1995), product design is an important parameter as it attracts the consumer, communicates to them, and adds value to the product. The result derived from the study mentioned that the durability of the product under product design attribute influences the consumer psychology and response in-store selection. Foscht (2007) stated that tidiness and cleanliness are highly correlated with the perception of consumers that gives them satisfaction in time spent on shopping. Pires (2008) assessed quality perception in terms of product dimensions, namely colour and shapes. Chestnut (1978) examines brand loyalty and sales with customer satisfaction. The study posits that brand plays a pivotal role in influencing the consumer to select retail stores after globalization. Cameron (1994) studied the perception of consumers on the appearance of products; he mentioned that the perception of consumers differs for locally made and overseas made products. Higher the locally made products are perceived to be quality, affordable price, technology-based and superior, the lower is the preference for the overseas made product. Therefore, consumers rate countries of origin only after perceiving the product quality and price. Kadyan (2013) pointed out twenty-seven items under six retail attributes to examine the influence on consumer selection of traditional and small garment retail stores. The retail attribute product criterion includes cloth style, colour, wide choice, and fabric varieties; product performance includes fashionable, comfort, easy fabric care, durability, cloth safety, and ease of maintenance. Also, the price consists of a comfortable pricing range, economical pricing, discounts, and credit cards; promotions include advertisements, social values, and seasonal offers. In addition to that, the quality of the product, fabric quality, colour, and fabric artistry; the quality of retailer service includes retailer reputation, brand stock, retail store image, convenience in shopping, location, salesmanship, and ambiences parking facility. Therefore, using factor analysis, the findings revealed from the study have been found that the five retail attributes influence the overall perception of consumers in-store choice formats.

Lowe (2015) describes how innovative a new product is to consumers and how the innovativeness of a product influences the consumer to buy a new product from the retail stores. The researcher has constructed consumer perceived innovativeness (CPI) to understand the cause and consequence of innovative products. Hence, innovative products are an essential attribute of product criteria that influence consumers' purchase intention in retail stores.

Frankwick (2003) stated that salespersons play a role in building healthy communication, trust, and loyalty between consumers and businesses. The strong personality of salespersons can encourage the consumers to give positive feedback and earn profit by the business through increasing sales. Being sensitive to the consumers has a strong relationship with the consumer's perception of buying behaviour. Boshoff (2004) put forward that purchase intentions are influenced by salesperson behaviour responsiveness, assurance, and empathy attributes. Lennon (2005) posits the importance of measuring the effects of customers' dress on the friendliness of salespeople and promptness of service. The study suggested that the salespeople need the training to be friendly with the customers irrespective of the customers' dress. However, retailers should make the salespeople alert and conscious of the behaviour of customers' in delivering the service. Kulshrestha (2009) determined the impact of salesperson behaviour on the emotions and response of the consumers. The researcher stated that the consumer's psychology gets strongly influenced by the positive behaviour of the salesperson. Hence, the study's findings revealed that the salesperson's behaviour during the sales interactions affects consumer perception, emotions and response. Medrano (2016) aimed to know what consumers value the most in terms of salesperson behaviour. The researcher has stressed the importance of personal attention and also stated that it varies across industries. The findings revealed that personal attention had been the primary factor in motivating consumer preference in selecting local streets. However, the individual attention factor is not relevant for consumers who prefer shopping malls. Prendergast (2014) concluded that salespersons' behaviour's trustworthiness, expertise, attractiveness, and knowledge attributes have a more significant effect on consumers' purchase intention.

Laurent, (1985) has identified that the service and ambience attribute influences consumers' choice for retail stores. Consumer perceptions on price, overall quality and value are considered as pivotal determinants of buying behaviour and store selection. This study recommended that service delivery reflects the whole service quality of the retail industry. Increasing demand of consumers' expectations has bound the retail industry to look upon the service quality in a pleasant manner that they are positively related to satisfaction. In the early days, the customers perceived the services in terms of their quality, and the satisfaction has been measured with respect to overall experiences (Zeithaml, 1988). Another study done by Plooy (2012) found that tangibility, reliability, responsiveness, assurance and empathy are the five main drivers of perceived levels of service quality among consumers at grocery retail outlets.

Pookulangara (2006) stated that consumers' preference for more shopping malls has increased. The study's objective was to examine the effects of retail attributes on consumers' purchase intentions towards shopping malls and utilized a Computer-Assisted Telephonic Interview (CATI) for data collection from 500 samples. The study's findings revealed that consumers visit shopping malls due to access to a variety of items and convenience-related attributes. Sun (2009) has conducted an original survey from 128 respondents to understand the importance of innovativeness and differentiated products heading to an increase or decrease in consumers' perception. The findings revealed that the Indian consumer gives more weightage to intrinsic factors than extrinsic factors in their decision-making process.

The attributes identified from previous research suggest that all the attributes are not commonly important in affecting consumers' perception in retail stores. The importance of the retail attribute may vary from store to store depending upon the need and demand of the consumer. Therefore, the purpose of this paper is to analyze the perceptions of consumers visiting traditional stores and shopping malls from the consumers perspective. Thereafter, the study suggests that retailers strategize their decisions based on these attributes to enhance the footfalls in their stores. They should satisfy the consumers to develop store loyalty among themselves.

3. Methodology of the Study:

There has been a sufficient literature review existing on consumer perception and buying behaviour in the Indian context. However, this study has attempted to examine the store choice attributes on consumer choice for traditional stores (TS) and shopping malls (SM) in Guwahati City. For data collection, the sampling unit for the study comprises all the individual buyers residing in 31 GMC Wards under the Guwahati Municipal Corporation (GMC). The researcher has precisely estimated to take 400 sizes of the sample using the 'Taro Yamane' formula. The data has been collected with the help of a structured questionnaire from consumers (N=400) using a random sampling method. The questionnaire contained a total set of seventeen attributes of the product, salesman behaviour and service attributes related to the consumer choice for TS and SM. This study measured the scale's reliability and validity using Cronbach's alpha (Cronbach, 1951). From table 1, the overall Cronbach's alpha value obtained is 0.9, which shows the high reliability of the scale and thereby, it is valid to use this scale for further analysis. Hence, it is also worth stating that Cronbach's alpha coefficient of 0.6 and above has been considered good for research in social sciences (Bougie, 2010). The findings of the present study have also been validated with the help of a hypothesis to test the significant difference in the mean value of different attributes of traditional stores and shopping mall images.

Note: This study has used the Taro Yamane formula (Fig 1) to figure out the appropriate sample size, keeping into consideration the total Ward Household population, which was written as

$$n = \frac{229,716}{1+229,716\,(0.05)^2}$$

n = 400

4. Data Analysis and Interpretation:

The present study attempts to analyze the significant difference of store choice attributes on consumer choice for TS and SM using the z test at a 5% significance level. But, before that, the normal distribution of each variable under the mentioned attributes has been checked using Skewness and

Kurtosis. Table 2 shows the Skewness values within the range of (−1) to (+1) and Kurtosis values within the range of (−3) to (+3), as suggested by Hair et al. (2003), indicating an acceptable range for analyzing the z-test.

Product Attributes

To prove; whether there is any significant difference between product attributes and consumer choice for TS and SM, the following hypothesis has been developed:

Ho1: There is no significant difference in product attributes and consumer choice for TS and SM.

The consumer's overall perception from table 3 states that the mean score of TS is smaller than the SM (26.04 < 26.81). It means that the consumer preference for SM is more as compared to TS. Since the *p-value* is 0.013, which is less than 0.05, the study indicates a significant difference in consumer perceived products attribute and selection for TS and SM. Hence, we reject the null hypothesis.

Quality, affordable price, variety, packaging, colour and uniqueness are the attributes of a product that significantly differ in consumer choice for TS and SM. However, this finding is similar to the previous study (Gonçalves, 2008) that the choice for store formats depends upon the product attributes. *The product's price* depends on consumer involvement in buying the goods and services from TS and SM. Product depth and product width in terms of *variety* are very much high in TS and SM. As a result, consumers may feel comfortable making a comparison amid the different products available therein.

On the other hand, the products' manufacturing and expiry date' have no significant difference in selection for TS and SM. However, this result is commensurate with the previous literature review (Bloch, 1995) that consumers opt for a need-based choice and durability of products that are not always associated with manufacturing and expiry date. It implies that the consumers do not seek information about the manufacturing and expiry date of durable products such as bicycles, refrigerators etc. They are more concerned regarding the manufacturer's warranty or guarantee of the products and seek quality services during purchase and post-purchase behaviour.

Salesman behaviour

To prove; whether there is a significant difference between consumer perceived behaviour of salesman and selection for TS and SM, the following hypothesis has been presented:

Ho2: There is no significant difference in consumer perceived salesman behaviour and selection for TS and SM.

The overall perception from table 4 states that the mean score of TS is larger than the SM; (26.33< 25.78). Since the *p-value* is less than 0.05, the study has proved a significant difference in consumer perceived salesman behaviours and choice of TS and SM. Hence, we reject the null hypothesis.

Trustworthiness, friendliness, attractiveness, experience, and knowledge are the attributes of salesman behaviour that significantly differ in consumer selection for TS and SM. However, strong behavioural traits of salesman encourage the trust, communication, and loyalty of consumers and decision-making processes in choosing retail stores. On the other hand, *individual salesman attention* and *prompt service* attributes have no significant difference in consumer choice for TS and SM. Demand-driven goods and services encourage consumer selection of TS and SM, which is not always associated with the salesman's attention and prompt service attributes.

Service Attributes

To prove; whether there is any significant difference between service attributes and consumer choice for TS and SM, the following hypothesis has been developed:

Ho2: There is no significant difference in service attributes and consumer choice for TS and SM

From table 5, the overall perception states that the mean score of TS is smaller than the SM; (18.46< 19.592). Since the *p-value* is less than 0.05, the present study proves a significant difference in consumer perceived service attributes and choice of TS and SM. Hence, we reject the null hypothesis. The result is consistent with the previous study (Frankwick, 2003), as the author has pointed out that there is an increased demand from consumers for

more service in the retail stores. Consumers usually do not criticize at the store but rather complain about the service received to friends, family and other people in their influential group. Furthermore, any dissatisfied consumers may have the propensity to switch to other retail stores.

It was found in the previous review of literature that a study done by (Krapfel 1988) showed that service attributes have a significant difference in perception towards store choice. The increasing demand for consumers' expectations has bound the retailers to pleasantly look upon the service attributes.

Hence, from figure 2, we can say that consumers' preference for a shopping mall is more than TS in terms of product and service attributes. Whereas consumers prefer traditional stores more because of the salesman behaviour.

5. Limitations and Directions for Future Research:

In the light of the changing retail structure in India, especially when the demand for shopping malls has been rapidly increasing due to the working population, rising living standard and rise in income, the generalization of findings cannot be assumed with limited sample size and geographical location. Consumers from other geographical locations may have different perceptions and choices for retail formats. The limitations can be concentrated in the future by conducting more studies in other geographic areas where the gist is picking up due to the dynamic retail system.

6. Conclusion:

Retailing in Guwahati is experiencing a transformation. Shopping malls have made an appearance as a major source of consumers buyouts. In these modern days, consumers have the propensity to visit shopping malls not only to buy goods and services but also for entertainment guided by additional factors like relaxation and enjoyment. The results revealed how the overall consumer choice for SM is more compared to TS regarding product and service attributes. Whereas, in the case of salesman behaviour, it has been observed that the consumers prefer to visit traditional stores in comparison to shopping malls.

This keeps them satisfied in visiting the regular and known store for buying the goods and services.

However, it could be reasonable to conclude that the shopping malls in Guwahati have immense opportunities to grow along with the traditional stores because of the increasing consumer's perception and expectation for deriving different types of products with good quality. Consumer's visit must be made memorable so that it develops a loyalty factor. The shopping mall maintains close contact and has a regular feedback mechanism to check the level of satisfaction in relation to the products and services offered by the mall. These efforts have increased the shopping mall standards, thereby changing the whole approach of mall management.

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1. Taro Yamane Formula:

$$n = \frac{N}{1+N(e)^2}$$

Where, n = Number of sample size

N = Population size

e = level of precision

Based on the statistical formula, when the size of the population is more than 1,00,000, a 95% confidence level and ± 5% precision is desired.

2. Overall Mean Score of Selection for TS and SM:
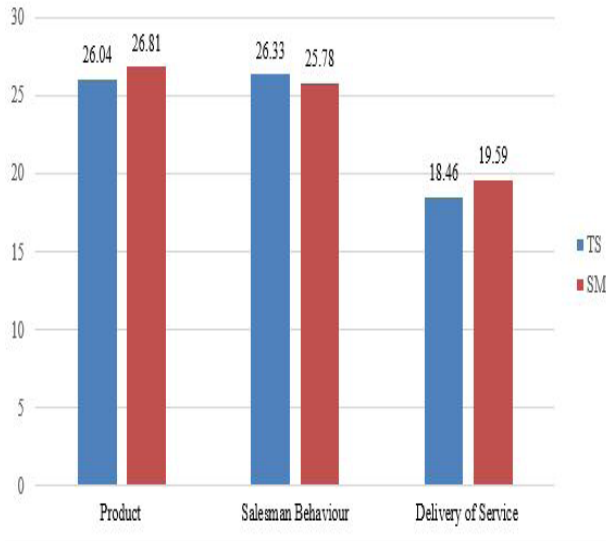
Fig 2: Overall Mean Score of Selection for TS and SM

3. Cronbach's Alpha Reliability Test:

Table 1: Cronbach's Alpha Reliability Test

Retail Attributes	Number of Items	Cronbach's Alpha Value
Overall Attributes	82	0.9
Product	14	0.7
Salesman Behaviours	14	0.7
Service	10	0.6

Note: Items mentioned are doubling here for both TS and SM

4. Skewness and Kurtosis for Retail Attributes:

Table 2: Skewness and Kurtosis for Retail Attributes

Retail Attributes	Retail Stores	Skewness	Kurtosis
Product	TS	-0.140	-0.303
	SM	-0.361	-0.553
Salesman Behaviour	TS	-0.435	-0.286
	SM	-0.271	-0.793
Service	TS	-0.281	-0.345
	SM	-0.212	.007

Source: *Compiled from primary data*

5. Product Attributes and Consumer Choice for TS and SM:

Table 3: Product Attributes and Consumer Choice for TS and SM

Product Attribute	Retail Store	Mean	Std. Deviation	z-test	p value	Result
Quality	TS	4.30	.872	-2.12	.034	Significant
	SM	4.18	.893			
Affordable price	TS	4.11	.681	-11.68	.000	Significant
	SM	3.26	1.122			
Variety	TS	4.14	.865	-5.84	.000	Significant
	SM	4.50	.633			
Packaging	TS	2.94	1.434	-9.47	.000	Significant
	SM	3.88	.986			
Colour	TS	3.65	1.005	-12.95	.000	Significant
	SM	2.66	1.059			
Manufacturing and expiry date	TS	4.17	.886	-.370	.712	Insignificant
	SM	4.19	.885			
Uniqueness	TS	2.72	1.060	-16.82	.000	Significant
	SM	4.14	.853			
Overall Perception	TS	26.04	3.253	-2.50	.013	Significant
	SM	26.81	3.531			

Source: *Compiled from primary data*

6. Behaviour of Salesman and Consumer Choice for TS and SM:

Table 4: Behaviour of Salesman and Consumer Choice for TS and SM

Behaviour Attribute of Sales Person		Mean	Std. Deviation	z-test	P value	Result
Individual Attention	TS	3.80	1.089	-1.161	0.246	Insignificant
	SM	3.90	0.993			
Trustworthiness	TS	3.81	0.897	-2.961	0.003	Significant
	SM	3.99	0.809			
Friendliness	TS	3.68	0.877	-4.799	0.000	Significant
	SM	3.41	0.541			
Attractiveness	TS	3.58	0.587	-2.824	0.005	Significant
	SM	3.74	0.661			
Experienced	TS	3.85	0.787	-10.396	0.000	Significant
	SM	3.16	0.910			
Prompt Service	TS	3.72	0.965	-0.207	0.836	Insignificant
	SM	3.78	0.682			
Knowledge	TS	3.87	0.840	-1.959	0.050	Significant
	SM	3.81	0.672			
Overall Perception	TS	26.33	3.493	-4.308	0.000	Significant
	SM	25.78	2.170			

Source: *Compiled from primary data*

7. Service Attributes and Consumer Choice for TS and SM:

Table 5: Service Attributes and Consumer Choice for TS and SM

Service Attribute	Retail Stores	Mean	Std. Deviation	z-test	P value	Result
Extended Store Hours	TS	4.03	.833	-8.367	.000	Significant
	SM	4.48	.704			
Quick Billing	TS	4.30	.751	-17.318	.000	Significant
	SM	2.69	1.230			
Handling Queries	TS	3.72	.701	-10.613	.000	Significant
	SM	4.26	.712			
Home Delivery	TS	3.14	.885	-19.248	.000	Significant
	SM	4.56	.677			
Easy Exchange	TS	3.26	1.108	-4.437	.000	Significant
	SM	3.60	1.042			
Overall Perception	TS	18.46	2.372	-6.763	.000	Significant
	SM	19.592	2.7849			

Source: *Compiled from primary data*

Entrepreneurship in a Developing Market:
The Role of Socio-cultural and Environmental Hostilities

Esi A. Elliot Ph.D.[*]

Rita Abban Ph.D.[**]

Carmina Cavazos Ph.D.[***]

A b s t r a c t

This paper examines environmental hostilities and entrepreneurship in a developing market focusing on Ghana. A qualitative assessment is provided on the influence of socio-cultural factors and environmental hostilities on entrepreneurship issues in emerging markets. Recent findings have implied that entrepreneurial businesses in emerging markets are not as proactive and dynamic as their Western peers while facing intense competition. They are less likely to invest heavily in research and development (R&D) or in building up a strong brand name when the environment is hostile and competitive. The findings of a qualitative study with financial services providers, firm relationship managers and their micro-enterprise customers demonstrated the dual impact that socio-cultural factors and environmental hostilities had on entrepreneurship; that is, each of these influences co-creation by enhancing or limiting firm-customer collaboration, dialogical interactions, learning and creativity. While the negative implications of environmental hostilities on entrepreneurship are perhaps more obvious, the findings also illustrate how operating in economies are constrained by the market, and institutional failures act as a stimulant. It stimulates creativity and learning between firms and customers as they attempt to manage these issues through creativity techniques. Taken together, the study findings extend theories on entrepreneurship by incorporating a developing market perspective and by illustrating the importance of leveraging entrepreneurial resources while developing innovative solutions and product services for developing markets.

Key words: *Entrepreneurship, environmental hostilities, financial services firms, microenterprises, socio-cultural factors.*

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[*] The University of Texas Rio Grande Valley, 1201 West University Dr., Edinburg, Texas 78539-2909. Email: esi.elliot@utregv.edu; eaelliot7@gmail.com

[**] Corresponding Author. Address: Council for Scientific and Industrial Research, Ghana, PO Box AN604, Accra-North, Accra-Ghana. Email: rabban22@gmail.com

[***] University of Hartford, 200 Bloomfield Ave, West Hartford, CT 06117, Email: cavazos@hartford.edu; carmina.cavazos@gmail.com

Introduction

Recent findings implied that entrepreneurial businesses in emerging markets are not as proactive and dynamic as their Western peers while facing intense competition (Parker 2018; Boso, Story and Cadogan 2012; Kiss, Wade, and Cavusgil 2012; Bruton, Ahlstrom, and Obloj 2008). They are less likely to invest heavily in research and development (R&D) or in building up a strong brand name when the environment is hostile and competitive (Tang and Hull 2012). For emerging markets such as Ghana, this is partly attributable to the seeming absence of supporting platforms for entrepreneurship. There are also socio-cultural factors and environmental hostilities peculiar to emerging markets with weak business infrastructures, such as subsistence markets, which could hinder entrepreneurship. Developing countries, also known as "base-of-the-pyramid" markets, are characterized by widespread poverty, weak infrastructure, and environmental (economic, political, and climatic) uncertainty (Gine, Goldberg, Silverman, and Yang 2012; Viswanathan, Sridharan, and Ritchie 2010; Maranz 2001). Socio-cultural factors reflect traditional and social systems, including values, norms, and activities.

Theoretical Foundations

The literature review is interdisciplinary and draws on studies from entrepreneurship as well as from studies related to environmental hostilities and socio-cultural factors in developing countries. Each discipline brings different organizing questions and perspectives. This literature review integrates them to shed more light on the research question: *Which creativity techniques are useful to build the entrepreneurial relationship between financial service providers and customer microenterprises?* The literature on environmental hostilities and socio-cultural factors and how these factors affect entrepreneurial businesses (subsistence markets) in Ghana has not been extensively investigated to determine how to improve entrepreneurial businesses and participation in global markets. A study of these factors will help to identify how they advance or hinder the entrepreneurship process. This is especially relevant as creativity techniques may derive knowledge from a resource developed from interrelationships (Audrestch, Belitski, Caiazza,

and Lehmann 2020; Belitski and Heron 2017). The study explores how environmental hostilities and socio-cultural factors in entrepreneurial business (subsistence markets) influence the entrepreneurship process for internationalization. Case examples are used to support the arguments.

Environmental hostilities

Participants of this study reveal that environmental hostilities such as marketplace illiteracy and resource constraints limit learning and creativity and subsequently hinder entrepreneurship. To financial service providers (FSPs), marketplace illiteracy is interpreted as insensitivity to micro-enterprise needs. Failure to demonstrate a solid understanding of the market dynamics with which the customer microenterprises (CMEs) deal limits the learning and creativity of the FSP and results in CME frustration. There's also institutional failure occasioned by monitoring costs associated with information asymmetry negatively influencing loan products as FSPs shift these costs onto CMEs. From the point of view of FSPs, "there will always be some borrowers whose demand for credit is not satisfied in full or include terms they consider inappropriate" (Quaye, Abrokwah, Sarbah, and Osei 2014, pp341)

Socio-cultural factors

Socio-cultural factors refer to the traditional and social systems, including values, norms and activities. The findings of the study demonstrate two important aspects of socio-cultural factors that impact the entrepreneurship process between the FSP and the CME. Firstly, the interplay between horizontal and vertical collectivism is referred to in this study as cross-collectivism. Vertical collectivism refers to the perception of the self as part of collecting and accepting the inequalities within the collective. Horizontal collectivism entails perceiving the self as a part of a collective group and regarding all members of the group as equal (Karasz and Singelis 2009; Singelis, Bhawuk, Gabrenya, Harwood, Her, et al. 2009). The second socio-cultural factor that impacted entrepreneurship was familism associated with deferred gratification. Familism describes a social organization in which values are determined by reference to the preservation and effectiveness of the family group (Abugre 2014; Zoogah and Nkomo 2013; Kuada 2010).

Methodology

Research Design

A qualitative approach was used to investigate the research question. A qualitative approach was considered ideal for this study because, in contrast with quantitative approaches, this approach enables the researcher to unveil what people say and do because of how they interpret the world. Furthermore, the qualitative method of phenomenological interviews, which is interpretative, was considered ideal for capturing the social realities that are relative to interactions between people in moments of time and space. This especially applies to a context of networked participants, who are embedded in an intricate flow of complexly entwined relationally-responsive activities (Shotter 2008).

Compared to other forms of qualitative research methods, phenomenological interviews were considered best suited to answer the research questions for two reasons. First, phenomenological interviews are "the most powerful means of attaining an in-depth understanding of another person's experience" (Thompson, Locander, and Pollio 1989, pp138). This characteristic of phenomenological interviews facilitates entrepreneurship investigation from both the firm-provider and customers' perspectives. Ultimately, this method facilitates the exploration of the influence of socio-cultural factors and environmental hostilities on entrepreneurship for international services in subsistence markets.

This study employs the qualitative approach, in the form of phenomenological interviews and observations, to investigate the research question. Visual data (photographs) further complements the interview and observation data. This investigation is conducted in the context of customer relationship managers (CRMs) of multinational and local FSPs and their CMEs in Ghana. The findings from this study expose the fact that whilst socio-cultural factors and environmental hostilities may hinder the entrepreneurship process, they also have the potential to advance the entrepreneurship process. We, therefore, extend the theories of entrepreneurship by incorporating these perspectives of subsistence markets.

Research Context

The study context is financial services providers and customer microenterprises operating in Ghana, located in Sub-Saharan Africa. Sub-Saharan Africa was chosen because it has a substantial population (more than 600 million people) living at a subsistence level of less than $2 per day (Tiffen 2003). However, services marketing developments, especially in e-commerce and mobile banking, are booming in Africa, thus highlighting the entrepreneurships' potential for international services in these markets. Ghana is one of the fastest-growing economies in Sub-Saharan Africa (SSA) and among the top three SSA economies in terms of GDP growth % (World Development Report 2017; World Bank Global Economic Prospects 2010). The study as it relates to Ghana will provide insights on the environment and measures to support interventions towards Ghana's Global Agenda 2030 and Sustainable Development Goals. Furthermore, the liberalized economy of Ghana has helped improve relationships between financial services providers and customer microenterprises (Acquaah 2008). Respondents were identified by purposive and snowball sampling. Purposive sampling is frequently used to investigate information-rich cases (Patton 2002). The snowball technique begins with a single participant who, in turn, refers the researcher to his or her network of contacts. This type of referral facilitates the building of trust and rapport within a short time (McCracken 1988).

Overall, 15 FSPs were interviewed. Sample representation of 15 associated CME participants was obtained from referrals from the customer relationship managers CRMs. The CME participants were operating in various industries and had various lengths of relationships with the FSPs. The CME participants were mostly retailers or wholesalers, with one contractor, one manufacturer, and one farmer. These CME participants operate in both the formal and informal sectors. The ages of participants ranged from 27 to 50 years.

Data Collection

Data were collected over an eight-month period, with one month of intensive face-to-face interviewing and observations preceded by four months of telephone interviews and followed by two months of more

telephone interviews. The qualitative telephone interviews provided flexibility in data collection and analysis (Yeung 1995). Data were collected from multiple sources at several points of time, guided by a protocol developed according to recommendations for qualitative studies and grounded theory (Corbin and Strauss 2008; Eisenhardt 1989). Specifically, ten customer relationship managers (CRMs) and 10 of their associated CMEs were interviewed individually on multiple occasions. The lengthy and repetitive phenomenological interviews were conducted to uncover the perspectives, meanings, and behaviours that participants brought to bear on the entrepreneurship of services. Dyadic interpersonal communications were also recorded during meetings with the dyad. Overall, 30 participants were interviewed, with 72 interviews lasting from 45 to 75 minutes.

Data Analysis

Data analysis and data collection had been a simultaneous process. The data analysis followed the categorization of data into themes and subthemes, a procedure for classifying the qualitative information contained in oral and written materials. This method was considered appropriate for the data analysis because it is generally used with a study design that describes a phenomenon, especially when research literature on the phenomenon is limited (Kondracki, Wellman, and Amundson 2002).

Analysis was a multi-layered process using the Atlas Ti software for open and axial coding, that is, the record and cross-referencing of codes that emerged from the data. In the initial rounds of interviews, each interview was coded separately based on words, phrases, terms, or labels offered by the participants; that is, we distinguished the first-order codes (cf. Van Maanen 1979). Each interview was re-read several times to distinguish the similarities and differences among informants. Constant comparison of the multiple participant's overtime was relied on to detect conceptual patterns (Glaser and Strauss 1967). The codes were combined into first-order categories to systematize the data, employing language used by the informants that expressed similar ideas. Continued coding interviews were done in this way until it was not possible to ascertain any more distinct conceptual patterns

shared by the participants. Along with developing first-order categories, we discerned connections among these categories. The connected categories were clustered into theoretically distinct groupings or second-order themes. These were researcher-induced concepts, cast at a more abstract level, providing overarching dimensions that integrates into a rich description of concepts and enables us to finalize a theoretical framework of how socio-cultural factors and environmental hostilities impacted the entrepreneurship process for services in subsistence markets.

Findings

1. Influence of socio-cultural Factors on Entrepreneurship

The findings of the study demonstrate that socio-cultural factors either hinder or advance entrepreneurship between the FSP and CME, as earlier discussed, through horizontal collectivism, vertical collectivism, and cross collectivism. The second socio-cultural factor observed to impact entrepreneurship was familism associated with deferred gratification. Generally, the deferred gratification involved the deference of the CME to family members' needs to gain family approval (Pye 2000). Familism and deferred gratification were observed to hinder entrepreneurship between the FSP and CME by limiting collaboration and learning.

Familism has been discovered to influence knowledge acquisition and character development (Kuada 2010). The study demonstrates that familism hinders entrepreneurship between the FSP and CME by limiting the proactiveness and risk-taking that facilitate collaboration. This is in line with Assimeng's (1981) argument that the collectivist social structure encourages the maintenance of the status quo and avoidance of serious disruption of the specific social order. In the context of this study, familism also negatively impacts resource allocation and management, and hence limited collaboration with the FSP. CME1 explains:

> *With my family, I do have several problems. You know, the business started from the family level…We are three people - my junior brother, myself*

and my sister. With the help of Unibank, we have been able to divide the business into three, and now everybody is operating on their own… So it is family work, and because of that, we find it difficult to handle our finances. It was not until we divided it that we could manage it well. So now, with the help of Unibank, we can put our ideas together…(CME1)

As explained by CME1, Familism leads to a situation where he has to defer to family members to preserve the interests of the whole group. However, this happens at the expense of the business. He indicated that it was not until they changed their orientations away from familism that the family could successfully combine ideas to advance entrepreneurship with the FSP. Implied in this definition of familism is the concept of deferred gratification, where one is obliged to place the needs of family members before his needs. In CME1's situation, deferred gratification made it difficult to handle the finances of the family business. However, when the business was divided, decisions could be autonomously made. This points to the fact that collateral learning and, therefore, entrepreneurship is hindered by deferred gratification. CRM3 and CRM12 provide further insight:

Today someone comes to sell something, and they dip their hands into the sales and buy it without keeping any records. She has to stamp her authority. You see, you also have to play your part for the bank to give you money. Ghanaians like the concept of "Give it to God" instead of doing the right thing…(CRM3)

With deferred gratification, family members are seen to satisfy their needs at the expense of the business by taking out funds to spend on themselves. This made it difficult for CMEs to keep records. In such a situation, collateral learning is limited because information on sales and business performances are distorted. Familism and deferred gratification also adversely influences decision-making and the openness of the CME to disclose information or to receive feedback from the FSP, so that collateral learning is further limited:

They set up the business, and they include their wives and children who are underage as shareholders and directors so that the key man risk is there, so whatever decision he has taken, whether it is the right decision, whether it is the wrong decision …And disclosure of information. They think that when they disclose information, you are going to use it against them…(CRM12)

Familism in this situation plays out as the inclusion of all family members regardless of their qualifications in the operations of the family business. Familism, therefore, creates a situation where there is the risk of an individual making all the key decisions without checks and balances. The CMEs, as key men in this context, find it difficult to share information with the FSP because they want to maintain the status quo. When strategic decisions remain in family hands, FSPs will find it difficult to make changes in decision structures. Familism and deferred gratification have far-reaching consequences that have the potential to further hinder the entrepreneurship process between the FSP and CME. In the first place, demands by extended family on working capital led to the need to maintain high inventory levels to hedge supply. In the second place, as CRM12 explains, succession problems occur which threaten the survival of the business. Thirdly, due to the tight control over the affairs of the business, there is likely to be a shortage of managerial talent across the firm. Collateral learning is enhanced when there is the willingness of both parties to share important, even proprietary, information. This might include involving the FSP in opening books and sharing cost information, discussing future market development plans, or sharing supply and demand forecasts. If the CME is reluctant to disclose this kind of information in the bid to maintain the status quo, entrepreneurship would be hindered.

To conclude, socio-cultural factors both hinder and advance entrepreneurship between the FSP and CME in subsistence markets through familism and deferred gratification. The idiosyncratic nature of

the marketplace with diverse social and cultural groupings makes cross-collectivism more pertinent and essential to the entrepreneurship process, as demonstrated in this study. The involvement and interaction of these multiple actors advance the entrepreneurship process by providing highly valuable operant resources. However, the extreme involvement and deference to the needs of the family members were observed from the findings to hinder the entrepreneurship process by creating disinterest in collateral learning in a bid to maintain the status quo.

2. Influence of Environmental Hostilities on Entrepreneurship

Three dimensions of environmental hostilities that either hinder or advance entrepreneurship were discovered in the study: market failures, institutional failures, and marketplace illiteracy. Market failures are defined as the lack of facilitating structures and key exchange mechanisms that cause business malfunction (Fligstein 2001). These include costs of doing business (business costs), lack of market information and market uncertainties. Institutional failures are policies that hinder the effective operations of CMEs (Aidis 2002). Marketplace illiteracy is the absence of conceptual/strategic knowledge grounded in understanding marketplace exchanges (Viswanathan, Sridharan, Gau, and Ritchie 2008). Market failures and institutional failures were observed from the findings of this study to hinder and advance the entrepreneurship process between the FSP and the CME, and marketplace illiteracy was observed to hinder the entrepreneurship process as discussed below.

a. Market Failures

The findings of the study demonstrate that market failures hinder and advance entrepreneurship between the FSP and CME by limiting relational-based creativity but advance entrepreneurship by enhancing collateral learning and relational-based creativity. The business costs dimension of market failures includes problems relating to the rising cost in the process of conducting business, namely, interest rates, taxes and costs related to the strength of the currency. Market uncertainty includes concerns about changes in the marketplace, such as declining demand in the local market and low-profit margins.

These factors are elucidated in the narration of CME15.

> Our system is designed not to help anybody who is willing to do long-term business… Businesses cannot develop based on the current interest rates in the market- if you are borrowing over 35% and more to pay taxes…The economies of scale are not there… the intention is to take taxes then you are opening up the economy and businesses cannot compete… The banks are not social engineers because if they are, they can also go out of business…(CME15)

CME15 shows how sustainable resource management becomes difficult for CMEs because of the high-interest rates and taxes in the markets. In such situations, it is difficult for CMEs to compete effectively since the emphasis on product quality may be compromised due to high costs. CME15 further indicates that the FSP, in this case, cannot become social engineers. Social engineers seek to promote the welfare of others without regard for profit. In such a situation, the FSP may not be motivated to engage in entrepreneurship with the CME, jeopardizing profit when applying collaboration, dialogical interactions, relational-based creativity and collateral learning. However, CRM12 elucidates how such market failures can also advance entrepreneurship between the FSP and CME by enhancing collateral learning:

> You can have your own strategies, and you can keep them to your chest, but there are some you need to divulge to people to help you and for you to get results… Maybe there may be an issue with quality, and maybe there may be an issue with customers, okay…Most of the time also the customers also actually do not understand what they do so when you get closer to the customer then the customer can actually come out and tell you problems that he is facing in the business and you the relationship manager with the knowledge and skills

tell him that it is better you do A, B or C. …(CRM12)

From this exposition, FSPs are motivated to engage in entrepreneurship to assist the CMEs in overcoming market failures through collateral learning. FSPs assist CMEs in conditions of market failures to reduce their transactions costs and risks by learning simultaneously with them about the market failures. After learning from the customer to gain a solid understanding of these market failures, the FSP can provide advice on how to handle costs and address problems relating to demand, supply, and access to ensure business performance enhancement and overall profitability.

b.   Institutional failures

Institutional failures were shown from the findings as environmental hostilities that hindered entrepreneurship between the FSP and CME by limiting collateral learning. The dynamics of the institutional environment may have generated repressive financial policies, adversely affecting the interest of FSPs to provide support to CMEs. Institutional failures were also shown to advance entrepreneurship by enhancing relational-based creativity. These institutional failures centred on the substandard organizational capability of the government institutions and the low effectiveness of political and civil society organizations.

> *…But the problem also is with the government - Lands department, service department; If I have a property and trying to register the property. It is not like the United States, where you can get your deed registered within three days. Over here, you have to go through this person, that person, and you may wind up spending about fifty million on the side. Even with that, you still won't have your deed registered…(CME7)*

Governmental institutions such as the lands department play a key role in the entrepreneurship between CMEs and FSPs. This is because they have to register the deeds of properties before CMEs can use these to secure facilities. As indicated by CME7, it takes a very long time and is also very costly to have the government lands department register the deeds of these properties due to extensive bureaucracy. As a result, CMEs cannot patronize the loan products of the FSPs, which negates the basis for collaboration. In the subsistence markets contexts, institutional failures are also inextricably linked with market failures caused by corrupt practices. The corrupt practices of some government officials exacerbate the inefficiencies in the market system:

> *… Therefore the economy is not skewed in any way to help microenterprises… People are just paying bribes left and right…More efforts are being made by community banks. Rural banks are very much engaged in communities in which they are situated. (CME15)*

As depicted in the narration, CME15 indicates that bribes are being paid in a rampant manner for people to go behind official market channels to manipulate the system, worsening the problem of institutional ineffectiveness. Bribery increases the risks and costs of innovation to such an extent as to make it unfeasible (Berdegue 2005). However, CME15 also indicates how institutional failures advances entrepreneurship between CMEs and FSPs in various communities. He refers to how community and rural banks have taken up the challenge to compensate for the institutional failures by engaging in entrepreneurship with the CME communities. The engagements with the CME communities by certain FSPs were exposed earlier on in the findings as relational-based techniques such as community animation.

c.   Marketplace Illiteracy

Marketplace illiteracy was exposed in the study to hinder and advance entrepreneurship by limiting and enhancing collateral learning. The marketplace illiteracy played out in various ways: The CME not having the inclination and knowledge to conduct market research, misunderstandings about business performance indicators and difficulties in using the e-commerce products of the FSP. CRM12 refers to how marketplace illiteracy in the form of not knowing how to conduct business research and misunderstanding the business performance indicators make CMEs grossly inefficient.

…You have to look at the kinds of categories of people would be buying my product. We do not do that…There are other things you have to think about before going into manufacturing. Do you even have a power source? How reliable is your power? If you depend solely on hydro, can you have a thermal plant? Can you even buy a generator, would this affect your profit margin? Most of Ghanaians especially traders, they want to stock. They go to the warehouse and [he] sees his stock then he thinks he is making money…His interest costs are so high… but now we want to partner with [X Company] to introduce a capacity building program… (CRM12)

CRM12 emphasizes the various elements that CMEs may need to consider before entering into particular businesses, especially in the subsistence context with weak business infrastructures. According to CRM12's discourse, these considerations are often ignored by CMEs. Viswanathan et al. (2008) refer to such a situation as the absence of 'know-why', that is, a deeper understanding of marketplace exchanges. This lack of understanding about the marketplace hinders entrepreneurship by limiting relational-based creativity because CMEs are not open to new solutions. Additionally, other aspects of marketplace illiteracy exposed by CRM12 are the misunderstanding of business performance measures. An example provided by CRM12 is the misunderstanding of the CME, who perceives the level of stock and not the profit he is making as an indicator of his business performance. Marketplace illiteracy in these situations could also advance entrepreneurship with the FSP. CRM12 exposes the fact that the lack of 'know-why' led one FSP to partner with an entrepreneurial training firm to provide training for the CMEs. This demonstrates that marketplace illiteracy advances entrepreneurship between the FSP and CME by enhancing collateral learning. Viswanathan et al. (2008) also expose another aspect of marketplace literacy that is essential to the CME: 'Know-how' or strategic knowledge relating to how to be informed as a seller

and consumer. This aspect of marketplace literacy is also found lacking in several ways with the CMEs, as explained by CRM6:

But most of the time because these customers are not very sophisticated … Most of them are not computer literate. They can't even do any internet banking… This year we have introduced what we call the Pay's accounts and that one it is a bit more general so anybody can use this…They think the money is for the governments…They take the money and the next time you go the shop is locked. …They are not organized. They would go to the 'Susu' companies which charges them exorbitant rates…and then they would start playing with the bank… The amount of money that these banks are making, they can actually do these things for free but they won't do it…If I have my money and you don't pay me, I won't give you my money again… (CRM6)

CRM6 exposes three key aspects of the marketplace illiteracy that hinder entrepreneurship with the CME. These are, firstly, the inability to make effective use of the FSP's e-commerce products. As stated by CRM6, this situation of CMEs not being internet savvy was observed to advance entrepreneurship by leading the FSP to introduce e-banking products that are easy for the CME to use. Secondly, CRM6 indicates that the marketplace illiterate customers have a wrong misconception that funds provided by the FSP belongs to the government, and so they are reluctant to pay back debts to a faceless government. CRM6 explicates that such a mentality hinders entrepreneurship by limiting collaboration and relational-based creativity as the FSPs shy away from the relationship.

In conclusion, while environmental hostilities adversely impact entrepreneurship, it also may productively advance the entrepreneurship process as the FSPs and CMEs react to and cope with environmental uncertainty in various ways, such as

collateral learning and relational-based creativity. This is in line with Moran and Ghoshal's (1999) assertion that "it is not resources per se, but the ability to access, deploy, exchange, and combine them that lies at the heart of value creation" (pp409). Furthermore, as rightly stated by Vaessen and Keeble (1995), a more hostile business environment may have the effect of encouraging firms to become more, rather than less, innovative to try to overcome the constraints they are facing. Although operating in subsistence markets may mean that FSPs and their CMEs face several environmental hostilities, relational-based creativity and collateral learning serves as a strategy to overcome some of these hostilities during entrepreneurship.

In this excerpt, the CME remarks that FSPs do not fully appreciate microenterprise businesses, including what it takes to run and grow them. Clearly, FSPs are not wholly without business acumen, yet a detailed understanding of inner market workings is often missing. This is captured in CME3's comments regarding the structure and content of FSP sponsored forums. While the CME views these forums as platforms for discussing and developing strategies to address microenterprise issues, they, unfortunately, take on the feeling of an unproductive meeting for "shop talk" or idle talk. Missed learning opportunities such as these contribute to FSP marketplace illiteracy and limit the potential for shared creativity and entrepreneurship. Additionally, they promote negative perceptions of FSPs.

Resource scarcity is shown to hinder entrepreneurship by limiting learning and creativity. The realities of resource scarcity due to underdeveloped capital markets and monetary systems such as high-interest rates and high operating and administrative costs remain very serious issues for companies operating in subsistence markets. To meet profitability targets, local branches try to make up for budget deficits by passing on high operating costs in the form of significant customer fees and charges. CMEs, who do not perceive the direct benefits of firm investments are suspicious of the large spread between savings and lending rates. Wary of high bank fees and the burdensome cost implications these have on CME operations, the microenterprise owner becomes apprehensive about FSP advice and recommendation,

thus stifling joint learning and creativity. CME3 narrates:

> *The neglect of the FSP is there because we [microbusinesses] do not have much capital, unlike the large corporates [i.e. large business customers]. Always we are cash strapped. The bank becomes just like a conduit. If you want to buy your cement [for your business], the bank issues bank checks and takes charges. Basically, we are working for the bank because there is no real benefit, and that is why we are also not keen to grow the business so much and pass everything to the bank.*

This excerpt illustrates how CME perceptions of the FSP may depreciate to a point where the FSP is viewed as a "conduit" or simply a means to channel money. It also demonstrates that the CME may become less interested in accruing significant financial growth, believing monies gained will be immediately lost in bank charges. Together these perceptions find the resource-constrained or "cash strapped" microbusinesses demotivated to work with the FSP, believing that every time the bank is involved, large fees and charges follow. Because entrepreneurship and associated learning and creativity require motivation and engagement by the co-creating actors, this lack of motivation can be ruinous. Instead, efforts must be made to keep the customer interested in the entrepreneurship process and be aware of the benefits of sharing knowledge and skills.

Conclusion and Discussion

In conclusion, while environmental hostilities adversely impact entrepreneurship, it also may productively advance the entrepreneurship process as the FSPs and CMEs react to and cope with environmental uncertainty in various ways, such as collateral learning and relational-based creativity. This is in line with Moran and Ghoshal's (1999) suggestion that resource on their own does not serve a purpose but rather how it is utilized. Furthermore, as rightly stated by Vaessen and Keeble (1995), a more hostile business environment may have

the effect of encouraging firms to become more, rather than less, innovative in order to overcome the constraints they are facing. Although operating in subsistence markets may mean that FSPs and their CMEs face several environmental hostilities, relational-based creativity and collateral learning serves as a strategy to overcome some of these hostilities during entrepreneurship.

CMEs may succeed or thrive in adverse environmental conditions because these conditions oblige them to innovate, take risks and be entrepreneurial in a way that promotes profitability and growth (Zahra and Neubaum 1998).

The concept of relational-based creativity that emerges from the data involves the utilization of a variety of creativity techniques during entrepreneurship. In answering the research question, we find that the structural aspects of the creative techniques influence the quantity and quality of the ideas produced and encourage divergent thinking. What makes creativity techniques such as improvisational bricolage appropriate, or the context, is the routes, twists, and surprises that this technique navigates in complex interactions conditioned by the environmental hostilities. Such a technique enables a number of smart responses to be made, adapted to the infinite number of possible situations in the environment of uncertainty. Creative techniques such as shared synergistic motivation, the art of challenging, and community animation facilitate the re-framing of problems and discovery of new ways to act, new patterns of thought, practices and structures. The informants in the study show that these creativity techniques are strategic in that they assist in compensating for resource constraints. The strategic role that these creativity techniques play is to help discover new meaningful opportunities and challenges and generate various ideas, which explore and exploit these opportunities.

Relational-based creativity embodies a strong sense of collective social citizenship that impacts emotions, creates motivational synergies, and excites the imagination to move away from the status quo and transcend formidable barriers. Whilst embodying a logical movement towards novelty, it also embodies improvisations and consensual ideologies to create an atmosphere in which creativity thrives.

In the light of recent developments such as the selection of Ghana to host the African Continental Free Trade Area (AfCTA), which is the world's largest free trade area after the World Trade Organisation, and the impact of the coronavirus (COVID 19) pandemic it becomes even more imperative to reduce any tractions that could emerge adversely affecting the environment of CMEs and FSPs. The role of CRMs would need to be strengthened in more innovative creative techniques. The insights from this study will support interventions in other African Union economies as well. This is especially as the AfCTA "will cover a market of 1.2 billion people, with a combined gross domestic product (GDP) of $2.5 trillion, across the fifty-four (54) Member States of the African Union that have signed the Agreement" (Africa Times 2019).

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Themes –	Means by which it occurs	Quotations
Informal Institutions (***Environmental hostilities***) - Enhancing collaboration and dialogical interactions	• Invest in complementary sectors with family members to mitigate against economic downturns • Ability to pool resources together to provide capital on a rotating basis • Ability to survive and grow in market downturns	*The market conditions are [turbulent]. Sometimes in church communities we help ourselves [work together] and these funds are available when you are in need. The banks come in to partner with the church and give deposit facilities, loans, advisory services. They are able to give loans to people in groups of three and they can give us this sort of financing without the strict provisions. (CME8)*
Informal Institutions (***Environmental hostilities***) – Limiting collaboration and dialogical interactions	• Rising and inconsistent interest rates, institutional fees, taxes and bureaucratic processes reduce MEC trust and motivation. • Taking a short-term perspective toward the partnership and opportunistic behaviors ensue	*The amount of money that these banks are making, they can actually do these things for free but they won't do it. It would benefit them in the long term as more and more people become more conscientized but they won't look at that but would try to make their profit in the short term whilst dealing with the bad loans (CME6)*
Cognitive Institutions (***Environmental hostilities***) - Enhancing creativity	• Mobile banking innovation resulting from lack of proper house identification schemes, which compel FSPs to transact business at MEC general areas of business and residence. • Lack of supportive credit reference bureaus necessitated the creation of financial services products that reduce the risk of default.	*We do not have identification schemes, like shop numbers and specific location identification information. Traders can be roadside or mobile, with no specific business address. So, we have to go to their areas. Out of this came ideas from the microenterprises, another innovation, the mobile bank. We have a car that has everything of a bank in it. The car goes to remote areas to take deposits and provide loans. (FSP11)*
Cognitive Institutions (***Environmental hostilities***) – Limiting Creativity	• Missed learning opportunities at forums promote negative perceptions of FSPs • Unproductive meeting for "shop talk" or idle talk. • Detailed understanding of inner market workings is often missing	*Training programs would be a good thing and open forums where they [FSPs] would get to know the [CME] problems and address them. Once in a while, there are forums but it is like 'talk shop'. They don't come down to our level to get the right information – in the very raw form and they may have to sit down with us and look at all these things together. They just do the appraisal and give the money (CME2)*
Normative Institutions (***Environmental hostilities***) - Enhancing learning	• Create a sense of common business purpose and a converging way of perceiving market problems and solutions with the circulation of ideas and skill formation relevant to the local environment. • Create customer-driven value chains that substantially reduce costs and better align services with the customer's needs.	*That is where we come in to advise them on part-time basis and as we use what we learn from them we get to understand the challenges they are facing better. And, you get to learn a lot from them in terms of how they import their things, like if it comes to the port, how they go about clearing their goods. Since you are close to them you get to learn from them on the shop floor, like how they relate to people. And if you go to the market, how they behave in a particular way. So, in understanding the nature of their business we are able to serve them better (FSP8).*
Normative Institutions (***Environmental hostilities***) – Limiting Learning	• Underdeveloped capital markets and monetary systems such as in high interest rates and high operating and administrative costs limit profitability and MECs are suspicious of the large spread between savings and lending rates. • The FSP is viewed as a "conduit" or simply a means to channel money.	*Training programs would be a good thing and open forums where they [FSPs] would get to know the [CME] problems and address them. Once in a while, there are forums but it is like 'talk shop'. They don't come down to our level to get the right information – in the very raw form and they may have to sit down with us and look at all these things together. They just do the appraisal and give the money. It is only when the loans are not paid that they try to understand our business. (CME3)*

A Study on Rural Consumer's Satisfaction
towards Selected Fast Moving Consumer Goods

Himanshu Bhusan Mishra[*]
Dr. Pallabi Mishra[**]

A b s t r a c t

Fast-moving consumer goods (FMCG) demand is increasing by the day. In the Indian market today, we see a plethora of FMCG product names. Corporate sectors have already recognized the tremendous prospects available in the rural sector and are attempting to capitalize on them through strategies focused specifically on rural markets. However, the concern is how well these brands are addressing customers' needs in the Indian market. Keeping this in mind, the article seeks to demonstrate how satisfied consumers are with FMCG product brands. According to existing research, product quality, service quality, packaging of the product, and product price all impact consumer happiness. So, in this article, an analysis is performed to determine the relationship between customer satisfaction and other chosen independent variables. This article examines overall customer satisfaction with household care goods in Odisha state in terms of the rural market environment.

Keywords: *Customer Satisfaction, Service Quality, Product Quality, Price of Product, Packaging of the Product*

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*   Research Scholar, Department of Business Administration, Utkal University.
**   Assistant Professor, Department of Business Administration, Utkal University.

Introduction

The FMCG (Fast Moving Consumer Goods) sector plays a vital role in the Indian economy. This industry has an impact on every element of human life. Customers in rural India are becoming more prosperous, and their lifestyles are evolving. Rural areas have the same number of middle-income households as cities. As a result, Rural marketing has grown significantly over the years and has now surpassed the urban FMCG market in size. Rural India has become a marketing priority because of the enormous potential for all types of products and services. Statistics suggest a significant wealth shift in rural India, and the aspiring middle class, with increased purchasing power, is the focus of all corporate marketing efforts. The rural Indian population is massive and quickly rising. Over 627,000 villages in rural areas house more than 70% of India's one billion-plus population. This becomes a motivating element for FMCG corporations to enter rural areas.

According to the Indian census, rural is any habitation with a population density of fewer than 400 persons per square kilometre. Agriculture employs at least 75 per cent of the male working population. There is no municipality or board. Village marketplaces, also known as "Haats," have existed in Indian communities since ancient times and are essentially gatherings of local consumers and sellers. The barter system was widely used and is still in use in many places today. Village 'mandis' and seasonal dinners are also crucial events for marketers to capitalize on. While the rural market offers greater prospects for marketers, it is difficult for any firm to enter and gain a large market share. In actuality, the rural market faces various challenges, including distribution and marketing communications. Companies have tried a range of creative approaches to solve these challenges. Whether ITC's "e-choupal" effort or HLL's "Project Shakti," the goal is to get closer to the rural consumer. Businesses must develop strategies that address consumer psychographics and an acceptable marketing mix to capture the enticing rural market. With increased rural literacy and media exposure, rural regions become more aware of their purchasing decisions. This makes it even more difficult for businesses to grasp rural consumers' purchasing behaviour, consumption patterns, needs, and desires. The marketer must understand that there is no quick way to gain a piece of the rural market.

Companies must always remember that the needs of the rural markets are vastly different. Companies must develop one-of-a-kind items and strategies for rural consumers. People in rural India are becoming more cognizant of their purchase decisions as a result of rising rural literacy and media exposure. The general public's awareness of brands has grown dramatically. As a result, they are becoming pickier and more demanding than ever before. As a result, any company entering the market must conduct extensive studies on psychographics. According to research, people's brand choices have shifted noticeably. People are shifting away from the use of tooth powder towards toothpaste. There is also a shift away from low-cost brands and towards semi-premium brands. This is one of the most common misconceptions regarding the rural market. On the other hand, rural consumers seek value for money, and if a brand falls into this category, they are willing to pay for it. Customer satisfaction measures how well a company's products and services fulfil its customers' expectations. Client happiness remains one of the most powerful determinants of customer retention. It is more expensive to acquire new clients than to retain the existing ones. Understanding customer service and evaluating consumer satisfaction are critical in a world of declining brand loyalty.

Customer happiness and customer retention are obviously inextricably linked. The success of a product or a service in the market will be determined by the customer's opinion of service and product quality.

Companies can decide the steps needed to address the wants of their consumers if they have a better understanding of their customers' views. They may recognize their strengths and shortcomings, stand in contrast to their competitors, and plot a course for future advancement and improvement. Measuring customer pleasure emphasizes customer results and drives improvements in the company's work approaches and processes. Consumer expectations are the features of a product or service that the customer specifies and must be met or exceeded to achieve customer satisfaction. Consumer needs, expectations, satisfaction, and behavioural complexities are the primary goals that every type

of corporation must address in order to survive and grow in a competitive business environment. As a result, the current article focuses on Consumer Satisfaction with FMCG Household Care Products.

Critical Assessment of Rural Market Strategies

Nurturing, caring, and loving ideals are frequently associated with Indian customers. These values are far more powerful than those of ambition and achievement. Indian consumers will receive products that transmit feelings and emotions. Aside from psychology and economics, history and tradition play an important role in creating Indian consumer behaviour. Perhaps only in India do old and modern things coexist. Hair oils and teeth powder, for example, coexist with shampoos and toothpaste. Rural areas are home to roughly three-quarters of the Indian population. With a burgeoning middle class, particularly in Indian cities, the impact of the urban middle class may also be evident in rural villages.

Review of Existing Literature

"Satisfaction is a metric used to assess how well items or services performed in comparison to what consumers expected."(Armstrong and Kotler, 1996) . Customer satisfaction, in general, indicates how satisfied customers are with the items or services they have purchased. According to Zamazalová (Zamazalová, 2008), there are several major aspects that influence customer happiness. All of these characteristics can be used to assess customer happiness. These factors include the product (in terms of quality, availability, and so on), the pricing (in terms of convenience in the payment mechanism), the service, distribution, and the product's image. Companies must maintain a minimum standard of their product (product quality) and must be able to deliver the products to the ultimate users effectively (service quality) at an affordable price (financial benefit), and only if they can match up the customers' preconceived expectations (perceived value), they could sense the customer satisfaction.

Product quality refers to incorporating elements into a product that ensures that the product will be loved by the customers and will be able to match their expectations. The product can meet the needs of the customers. Quality, according to Parasuram, can be

defined as "the ability to deliver a perfect product on the first try" (Parasuraman,1985). Crosby defines quality as the "capacity of the producer to match expectations." From the perspective of a customer, product quality is the perceived superiority of the product overall. (Zeithaml,1988)

It might be understood as a difference between perceived service expectations and perceived performance. It is a detailed examination in which customer impression is expressed in certain aspects of services such as reliability, receptiveness, assurance, etc. Companies that evaluate service quality can identify issue areas quickly and provide greater services to customers. Crosby(1979) and Parasuraman et al.(1985) state that "Service quality is the measure of how efficiently the services given by corporations can satisfy consumers and how far it has exceeded their expectation level consistently." The consistency with which customers' expectations are satisfied should be used to assess service quality. "Generally, when service delivery exceeds expectations, contentment and behavioural changes can be observed" (Wannenburg et al.,2009).To maintain a strong and long-lasting relationship with clients, businesses must provide services to the best of their ability to increase customer satisfaction.

"A financial benefit is an economic gain for the consumer as a result of cost savings." (Garrette and Karnani,2010). Lowering the products' price may result in a higher financial benefit. "Price is a key aspect in determining consumer satisfaction" (Butt,2011). The product's price is directly related to the demand of the product. And we all know that customer happiness is unattainable unless customers' demands are met. As a result, it is critical to emphasize that financial gain substantially impacts consumer satisfaction.

Perceived value is a customer's assessment of the benefits of a product or service, as well as its capacity to meet consumers' requirements and expectations, particularly in comparison to its peers. In other words, it is the customers' assessment of the product's worth to him or her. "Perceived value," according to Zeithaml(1988), is "the consumer's total estimate of the utility of a product or service based on perceptions of what is received and what is supplied". Tam(Tam,2000) asserts that "perceived

value is to be substantially related to service quality and customer happiness". According to Lovelock et al.(2005), "Service quality has a direct impact on perceived value". It is seen as a key variable in increasing consumer happiness" (McDougall and Levesque,2000). According to the available research, all of the study's independent variables, namely service quality, perceived value, financial benefit, and product quality, impact customer satisfaction, either directly or indirectly. However, will all of these independent variables impact customer satisfaction when it comes to fast-moving consumer goods? It is an intriguing topic to think about, and with the help of this study, an attempt has been made to find an answer.

OBJECTIVE OF THE STUDY:

Find out how satisfied the customers are with the selected FMCGs they are currently using, keeping in view quality, size, pricing, and product packaging.

Hypotheses of the Study:

H0 =There is no significant correlation between distance travelled to purchase the commodities and satisfaction of consumers over the distribution system of FMCG products in the rural market.

Research Design

The current research is descriptive and based on empirical evidence from primary data. The primary data was collected using a standardized questionnaire and a survey method. Randomly selected rural respondents completed the questionnaire from Odisha's five districts: Cuttack, Keonjhar, Sambalpur, Berhampur and Balasore. A total of 900 consumers were interviewed, but 520 fully filled up questionnaires were finally selected for the research study because the remaining were incomplete in many respects. The responses have been obtained in a five-point scale in the form of Highly Satisfied, Satisfied, Neither Satisfied nor Dissatisfied, Dissatisfied, and Strongly Dissatisfied with quantification 1, 2, 3, 4, and 5, respectively. The survey is conducted in 5 districts with 520 customers. In addition, the study is limited to customers that utilize specific FMCG brands. The period of the study is 2019-20.

Result and Discussions

Table-1: Skewness and Kurtosis of Satisfaction on Quality of Products.

|		Edible Oils	Tea & Coffee	Biscuits
Food Items	Mean	1.78	1.82	2.00
	Skewness	0.31	0.93	0.17
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	2.31	2.64	-0.48
	Std. Error of Kurtosis	0.21	0.21	0.21
		Bathing Soap	**Washing Soap**	**Washing Powder**
Toiletries	Mean	2.01	1.97	2.04
	Skewness	0.42	0.69	1.00
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	0.07	0.06	2.98
	Std. Error of Kurtosis	0.21	0.21	0.21
		Face Powder	**Face Cream**	**Shampoo**
Cosmetics	Mean	2.06	2.15	2.08
	Skewness	0.28	0.79	1.29
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	-0.05	1.13	2.79
	Std. Error of Kurtosis	0.21	0.21	0.21
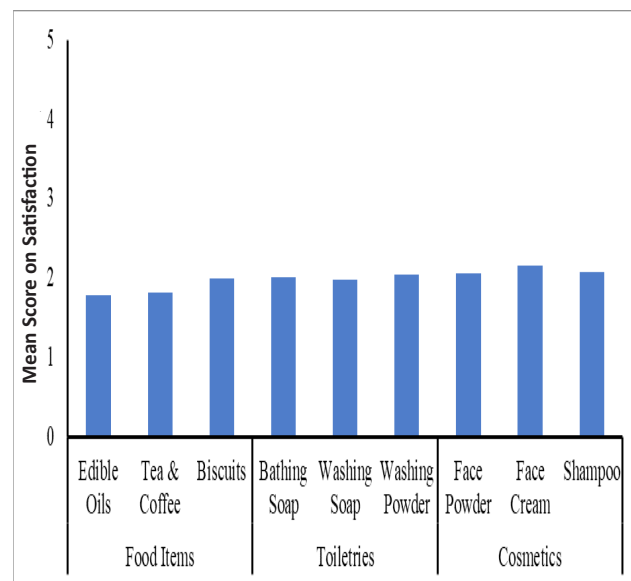
Figure-1: Mean Satisfaction of Rural Consumers on Quality of Commodities.

Table-1 and Figure-1 present the level of satisfaction of consumers on the quality of products by using skewness and kurtosis over their responses. The mean scores on food items, toiletries, and cosmetics products are 1.78,1.82,2.00,2.01,1.97,2.04 2.06,2.15 and 2.08 for edible oils, tea & coffee, biscuits, bathing soap, washing soaps, washing powder, face powder, face cream, and shampoo, indicating satisfaction of rural consumers on the quality of products.

Table-2 and Figure-2 present the satisfaction of consumers on the size of products by using skewness and kurtosis over their responses. The mean scores on food items, toiletries, and cosmetics products are 2.27,2.22,2.23,2.33,2.38,2.42,2.38,2.56 and 2.26 for edible oils, tea & coffee, biscuits, bathing soap, washing soaps, washing powder, face powder, face cream, and shampoo, indicating satisfaction of rural consumers on the size of products.

Table-2: Skewness and Kurtosis of Satisfaction on Size of Products.

		Edible Oils	Tea & Coffee	Biscuits
Food Items	Mean	2.27	2.22	2.23
	Skewness	0.22	0.77	0.76
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	-0.10	1.98	0.93
	Std. Error of Kurtosis	0.21	0.21	0.21
		Bathing Soap	**Washing Soap**	**Washing Powder**
Toiletries	Mean	2.33	2.38	2.42
	Skewness	0.59	0.88	0.16
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	0.51	1.19	-0.41
	Std. Error of Kurtosis	0.21	0.21	0.21
		Face Powder	**Face Cream**	**Shampoo**
Cosmetics	Mean	2.38	2.56	2.26
	Skewness	0.02	0.24	0.59
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	-0.21	-0.51	0.22
	Std. Error of Kurtosis	0.21	0.21	0.21

Table-3: Skewness and Kurtosis of Satisfaction on Price of Products.

		Edible Oils	Tea & Coffee	Biscuits
Food Items	Mean	2.46	2.42	2.41
	Skewness	0.62	1.06	1.12
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	0.11	1.73	1.39
	Std. Error of Kurtosis	0.21	0.21	0.21
		Bathing Soap	**Washing Soap**	**Washing Powder**
Toiletries	Mean	2.45	2.36	2.48
	Skewness	0.23	0.58	0.88
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	-0.30	0.12	1.38
	Std. Error of Kurtosis	0.21	0.21	0.21
		Face Powder	**Face Cream**	**Shampoo**
Cosmetics	Mean	2.69	2.74	2.49
	Skewness	0.63	0.31	0.70
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	0.08	-0.66	0.30
	Std. Error of Kurtosis	0.21	0.21	0.21

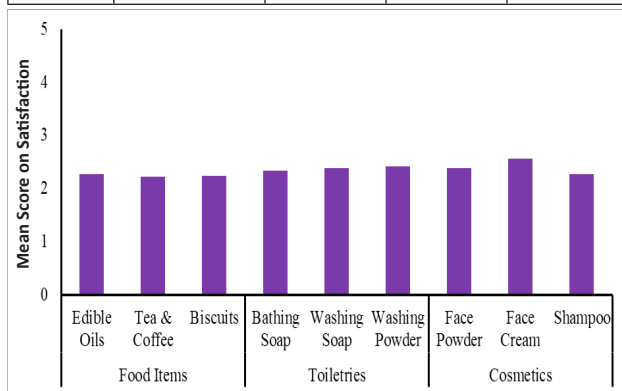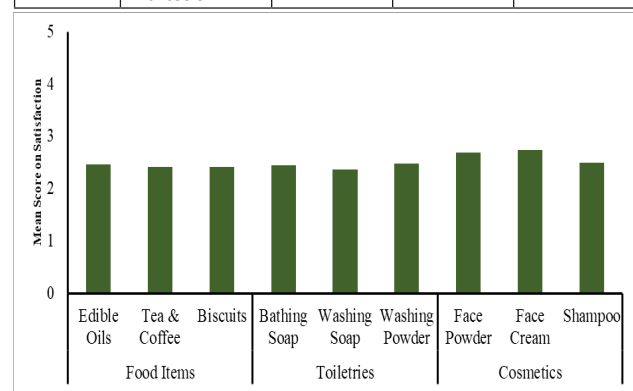**Figure-2: Mean Satisfaction of Rural Consumers on Size of Commodities.**

Figure-3: Mean Satisfaction of Rural Consumers on Price of Commodities.

Table-3 and Figure-3 present the satisfaction of consumers on the price of products by using skewness and kurtosis over their responses. The mean scores on food items, toiletries, and cosmetics products are 2.46,2.42,2.41,2.45,2.36,2.48,2.69,2.74, and 2.49 for edible oils, tea & coffee, biscuits, bathing soap, washing soaps, washing powder, face powder, face cream, and shampoo, indicating satisfaction of rural consumers on the price of products.

Table-4: Skewness and Kurtosis of Satisfaction on Packaging of Products.

		Edible Oils	Tea & Coffee	Biscuits
Food Items	Mean	1.94	1.90	1.95
	Skewness	0.31	0.31	0.68
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	1.56	1.05	1.15
	Std. Error of Kurtosis	0.21	0.21	0.21
Toiletries		**Bathing Soap**	**Washing Soap**	**Washing Powder**
	Mean	2.09	2.12	2.14
	Skewness	0.94	0.44	0.47
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	3.01	0.91	0.57
	Std. Error of Kurtosis	0.21	0.21	0.21
Cosmetics		**Face Powder**	**Face Cream**	**Shampoo**
	Mean	2.07	1.98	1.87
	Skewness	0.75	0.80	0.19
	Std. Error of Skewness	0.11	0.11	0.11
	Kurtosis	0.94	1.36	0.50
	Std. Error of Kurtosis	0.21	0.21	0.21
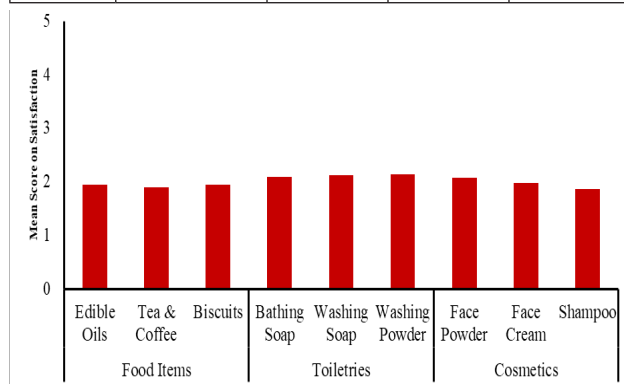
Figure-4: Mean Satisfaction of Rural Consumers on Packaging of Commodities.

Table-4 and Fig-4 present the satisfaction of consumers on the packaging of products by using skewness and kurtosis over their responses. The mean scores on food items, toiletries, and cosmetics products are 1.94,1.90,1.95,2.09,2.12,2.14,2.07,1.98, and 1.87 for edible oils, tea & coffee, biscuits, bathing soap, washing soaps, washing powder, face powder, face cream, and shampoo, indicating satisfaction of rural consumers on the packaging of products.

Table-5: Consumer Shopping Behaviors.

	Details	%	Cumulative %
Distance Travelled to Purchase Goods	0 - 5 km	89.3	89.3
	6 - 13 km	9.7	99.0
	16 - 25 km	1.0	100.0
Reason to Travel Outside Village to Purchase Goods	Reasonable Price	26.1	26.1
	Better Product Service	22.9	49.0
	Credit Facilities	4.0	53.0
	High-Quality Goods	14.1	67.0
	Variety of Goods	33.0	100.0

Table 5 presents the shopping behaviour on distance. The majority of the rural consumers (89.3%) travel a distance of 0–5 km outside the village to purchase commodities. The responses towards purchasing commodities beyond 5 km, i.e., 6-13 km (9.7%) and 16-25 km (1.0%), are minimal. Also, 33.0% of consumers opine to travel outside of the village to purchase goods in search of many varieties. 26.1% opine for a reasonable price, 22.9% for better product service, and 14.1% for high-quality goods for travelling outside of the village to purchase commodities. As a result of the above, it is possible to assume that customers purchase goods within 5 kilometres of their peripheral with the purpose of purchasing variety. Consumers purchase on credit from the shops and insure themselves against the effects of the increase in prices.

Hypothesis validation in case of Rural Consumers

The aforesaid results and discussions on consumers will be further enriched by testing the hypothesis relating to the satisfaction of consumers with the

general factors of commodities- quality, size, pricing, and packaging of products. It is intended to find out various factors mentioned above become the cause of satisfaction of FMCG channels.

For testing this Hypothesis, Spearman's rank correlations are thought to be the most appropriate one.

Table-6: Spearman's Correlation Between Satisfaction on Range of Products and Distance Traveled by the Rural Consumers.

Commodities		Distance travelled
Edible Oils	Correlation Coefficient	-0.044
	Sig. (2-tailed)	0.309
	N	525
Tea & Coffee	Correlation Coefficient	0.100*
	Sig. (2-tailed)	0.022
	N	525
Biscuits	Correlation Coefficient	0.090*
	Sig. (2-tailed)	0.039
	N	525
Bathing Soaps	Correlation Coefficient	0.057
	Sig. (2-tailed)	0.192
	N	525
Washing Soaps	Correlation Coefficient	0.065
	Sig. (2-tailed)	0.139
	N	525
Washing Powder	Correlation Coefficient	0.040
	Sig. (2-tailed)	0.357
	N	525
Face Powders	Correlation Coefficient	0.067
	Sig. (2-tailed)	0.125
	N	525
Face Creams	Correlation Coefficient	0.006
	Sig. (2-tailed)	0.889
	N	525
Shampoos	Correlation Coefficient	0.064
	Sig. (2-tailed)	0.145
	N	525

N.B:- * Correlation is significant at the 0.05 level (P<0.05).

The table-6 shows the relationship between distance travelled and consumer satisfaction across a variety of products. The correlation coefficients between distance travelled and consumer satisfaction for edible oil, tea, coffee, biscuits, bathing soap, washing soap, washing powder, talcum powder,

beauty cream, and Hair shampoo is -0.044, 0.100, 0.090, 0.057, 0.065, 0.040, 0.067, 0.006, and 0.064, respectively. The correlation coefficients against tea and coffee (0.100) and biscuits (0.090) are both statistically significant (P<0.05). Hence, consumers' satisfaction for a range of products, tea & coffee and biscuits. Consumers do not wish to go longer distances for a variety of products, such as edible oil, bathing soap, washing powder, face powder, face cream, and shampoo.

Conclusion

FMCG products have been proven to be extremely important in our daily lives. In today's market, analyzing consumer satisfaction with FMCG products is critical. The current study concluded that while demographic variables are important in the consumer decision-making process, other demographic elements, with the exception of gender, have little effect on customer satisfaction. The study also reveals that variables such as quality of product, size of the product, pricing product, and packaging of the product have strong significations to customer satisfaction. Consumers are becoming more mindful and are shifting towards a more conventional and pleasant way of life to improve their quality of life.

Direction for Future Research

Future research in a similar topic can take into account a new geographical location and a different set of fast-moving consumer products. Similarly, studies on consumer durables could also be conducted.

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Employee Turnover Intentions and Human Resource Practices in Hospitality Industry

Ms. Lavina Khilnani[*]

Dr. Manju Nair [**]

A b s t r a c t

An employee's intention to leave the organisation is a critical issue to be catered to in the hospitality industry. In fact, worldwide, this is a major issue that brings huge losses to organisations. Every growing company, irrespective of any sector, makes every possible effort to maintain its productive employees to lead and succeed in the market and thrive in the business world. This research paper intends to define the determinants of the rising turnover rate of employees' turnover intentions in the hospitality sector. To date, the hospitality industry is still fighting against the increased rate of employee turnover intentions which proves to be the catalyst in the smooth functioning of the companies. The paper intends to address the issues related to human resource practices and their impact on the employees' intentions to leave or stay in the hospitality industry. The methodology adopted by the paper is to review the literature available on employee turnover intentions and human resource practices and use the narrative review approach for the qualitative analysis of the existing literature. A systematic analysis of the published research work is conducted to analyse the correlation between H.R. practices and employee turnover intentions with the objective of getting a more clear and systematic understanding of the correlation.

Keywords: *Hospitality Industry, Employee Turnover Intentions, Human Resource Practices, Recruitment and Selection, Training and Development, Performance Evaluation, Compensation Benefits.*

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[*]   Assistant Professor, Taxila Business School, Jaipur
[**]   Professor,   International School of Informatics and Management, Jaipur

1. Introduction

1.1 Employee Turnover intentions

The relationship is both important and delicate between an organisation and its workers. It is an exchange arrangement in several respects, where both sides give what the other wants or needs on the table. Even then, factors such as organisational culture and social satisfaction have an effect on long-term employer-employee relationships, which will eventually impact if an employee wants to continue with the organisation or quit. Since the turnover intention of high-performing workers is highly crucial to the overall success *(Kwon and Rupp, 2013),* it is vital to recognise and value potential triggers and predict the causes of employee turnover. Turnover intention refers to the "final cognitive decision-making process of voluntary turnover" *(Steel and Ovalle, 1984; as cited in Lambert et al., 2001, p. 234).* The voluntary turnover of employees is described as "individual movements across the membership boundary of a social system which the individual initiates- " (*Price, 1997, as cited in Gaertner, 1999, p. 479).* The turnover intention is defined as people leaving or quitting a company on their own and with their own desire (Mobley, 1997). *Price (1981)* has defined 'Professional turnover intent' and 'Occupational turnover intent', which are used synonymously where professional turnover intention applies to the employees' voluntary intention to quit one's career or occupation to work in another company. To clarify, it is the cognitive phase of employees' withdrawal where they have thoughts of leaving the workplace and intent to look for a job *(Carmeli and Weisberg, 2006).*

Scholars have given considerable attention to employee turnover *(e.g. Blau, 1993; Campion, 1991; Cohen, 1993; Cotton and Tuttle, 1986; Hom and Griffeth, 1995; Sjoberg and Sverke, 2000).* Since employee turnover can be both negative and costly for a company when a worker willingly enforces it, several studies have emphasised voluntary turnover *(e.g. Hom and Griffeth, 1995; Lee and Mitchell, 1994).* Scholars have attached great importance to employee turnover intention because it is associated with actual voluntary turnover (Lambert et al., 2001). In various studies on employee turnover, turnover intent has been used as the dependent variable *(e.g. Lambert et al., 2001).*

1.2 Employee Turnover Intentions and Hospitality Industry

As described by *Worland and Wilson in 1988,* the hospitality industry is a company or an organisation providing services that contribute towards the hospitality functions and includes the major sectors such as hotels, restaurants, licensed clubs and motels. The hospitality industry majorly capitalises on human resources, and this industry has also become one of the largest generators of employment, according to *Singh,1997.*

According to *Chand and Katou, in 2007,* the hospitality sector was labour intensive and effectively used the human capital available in the organisation to gain a competitive advantage. The hospitality sector is a customer service business and generally builds on its human capital to gain a competitive advantage. According to *Choi and Dickson in 2009,* the hospitality industry, it is a business that is strongly geared towards guest support. It is very important to have proper communication between the employees and the guest, which determines the success of any organisation.

In the success of the hospitality sector, workers play a major role. They are in charge of the brand and the level of service the hotel will provide. A hotel's service is directly related to its staff members' considerate, enthusiastic, demanding jobs, practical and positive approach and standard of service quality offered at the right moment. Therefore, the key is to sustain and inspire the hotel workers. The latest patterns ironically suggest frequent work turnover, withdrawals and incidents of depression. On the other hand, youth are drawn to the glitz and glamour of the hospitality industry. Though a good number of studies focused on employee attrition, the problem of high turnover still persists as a major problem in the hotel industry. As per the Global H.R. Manpower Community, and as per the sixth annual resource shortage report, India ranks second in skilled labour scenarios. The solution, therefore, lies in the immediate need to handle and function on human resources as talents and abilities are responsible for the achievement of the driving business. It is also clear that there is an immediate need to reflect on the variables that can lower the degree of the desire of workers to exit the hotel industry.

Therefore, there is an urgent need to understand the reasons for employee turnover intentions and find the measures to cope with the increasing rate of employee turnover intentions. The present study is thus focused on understanding the various determinants of employee turnover intentions and studying the correlation of H.R. practices on the turnover intentions of the employees.

2. Objectives of the Study

- To determine the reasons for the high rate of employee turnover intentions in the hospitality industry.

- To study the correlation of H.R. practices with employee turnover intentions in the hospitality industry.

3. Research Methodology

This study aims to re-evaluate the published research work on the hospitality industry with special reference to the various determinants responsible for the growing rate of employee turnover intentions such as compensation, performance appraisal, promotion, and training & development. A theoretical framework interpreting the psychological contract between the employers and the employees has been examined. The narrative review method has been used to review the existing literature, focusing on qualitative analysis of prior information. The study aimed to collect and synthesise literature to illustrate the importance of a specific point of view. This analysis method is very useful for collecting and synthesising a large amount of literature in a particular subject field. The main goal is to give the reader a thorough context for comprehending existing knowledge and emphasising the importance of the new study.

4. Determinants of Employee Turnover intentions

The high rate of employee turnover in the hospitality industry is due to the low-skill requirement in most entry-level positions (Taylor and Finley, 2010). The low-skill requirement corresponds to low pay for employees in entry-level positions, which are often easily replaceable. Work-life discord has also been linked to high employee turnover in the hospitality industry. In general, work-life balance is a major factor influencing employee job satisfaction in every

sector (O'Leary and Deegan, 2005). Furthermore, the hospitality industry is much more associated than other industries, with a weak work-life balance (WLB). The work-life conflict has a major impact on voluntary employee turnover in the hospitality industry, according to *Bloome, Rheede, and Tromp (2010)*. The Indian hotel industry is associated with abnormal and ever-changing long shifts, poor health quality, and stress as major contributors to poor WLB *(Mohanty and Mohanty, 2014)*. While it is widely assumed that female employees are perhaps the most disturbed by this because of their responsibility to raise children, particularly after birth, as found in the study by *Darcy, McCarthy, Hill, and Grady (2012)*. The hospitality sector is also known for its high volatility in job requirements, which has also been associated with poor job satisfaction *(Chiang, Birtch, and Cal, 2014)*. According to *Collins (2007)*, though hotels provide the largest employer in the tourism sector, it experiences a very high employee turnover rate and mobility of employees, which is the major challenge throughout the industry worldwide. *Wood (1997)* found a few negatives, which are very common in the hospitality industry, including the long working hours, high staff turnover rate, low salaries, low status, and a high degree of dissatisfaction with the job. The National Sample Survey data on employment for the years 2004 and 2005 reflect that the hotels and restaurants are considered to be the second-highest employers of the service workers, which includes .1% of technical workers, 1.4 % of clerical workers, 20% of administrative staff, executive staff and managerial workers and 7.6 % of the sales force.

It was found that workers working in the hospitality sector easily get similar jobs in the other companies, as concluded by *Solnet and Hood (2008).* According to *Getz (1994),* who has majorly focused that jobs in tourism and hospitality are considered undesirable, and the major characteristics which bring down the reputation of the hospitality sector include desperately poor working conditions, lack of promotion opportunities, job security, low wages, timings of the jobs in terms of shift, have a major impact on the employee turnover intention rate.

Poulston (2009) stated in a study of hospitality workplaces that perhaps the morale of workers in the hospitality sector to serve was much more likely to be seriously affected by discontent with compensation,

their managers, and general workplace conditions. Employee tension in the hospitality sector is also a normal phenomenon. Technological failure and organisational, interpersonal tensions have been listed as the primary causes of workplace stress and may cause workers to reconsider leaving their job *(O'Neill and Davis, 2011).*In addition, temporary employment is also one of the characteristics for which the hospitality industry is known and which is correlated with negative effects, such as tension, the tension between work and life, and minimal control over working schedules (*McNamara, Bohle, and Quinlan, 2011).*

5. H.R. Practices

The impact of human resource practices on employee turnover is not a new subject, and there have been numerous studies conducted in this field at the global level. H.R. practices are the ways to enhance the employees' leadership by human capital of the organisation. It undergoes the process of designing rigorous development programs and motivational strategies, such as establishing methods for guiding and assisting management in conducting continuous performance assessments. Human resource management (HRM) functions as a facilitator within companies or industries amid HRM approaches and consequences of HRM. *Sheppeck and Militello (2000)* emphasised HRM techniques in four different groups: Job skills and job practices, nurturing climate, performance evaluation and business organisation, while *guest (1997)* groups into three groups: product differentiation based on innovation, quality focus, and reduced cost. In previous research on HRM strategy, however, several concepts and approaches are used to attain the organisational objectives and goals via HRM methods and approaches. *Sivasubramanian and Kroeck (1995)* validate the broader perspective of human resources management as a match or inclusion. *Guest in 1997* focused that the different forms of management of human resources can be divided into two internal fit elements. HRM defines external fit as a strategic integration and internal fit as a functional ideal. Many academicians have conducted studies to analyse which fit is acceptable. *Youndt et al . (1996)* analysed the external match, and the outcome suggests a more precise fit among highly efficient HRM activities and quality strategy. *Stavrou-Costea (2005)* even suggested

that the key reason for a company's performance may be the successful management of human capital. As confirmed by *Lee and Lee (2007)*, human resource practices significantly impact a company's performance, namely training and development, coordination, remuneration / economic benefit, H.R. management, performance evaluation, and employee security, thereby enhancing the performance of the firm, including the productivity of workers, product performance and quality.

5.1. H.R. practices and Hospitality Industry

According to *Baum et al. 1997,* the hospitality and tourism sector has hardly considered any plans, policies, and proactive approaches to determine the impact of human resource development practices on organisation development and employee performance and intention to leave. *Davidson et al. (2010)* highlighted this through the research. However, the hospitality sector increases employment opportunities in the country. Still, it was found that the labour market of the hospitality industry faces two major challenges of attracting suitable labour and retaining its employees by decreasing employee turnover intentions. As lots of investment is made in upskilling and training the organisation's employees to build a quality and competent workforce, this investment in human resources is being squandered due to the high turnover rate of the employees. The paper attempts to illustrate a few of the H.R. activities that considerably impact the hospitality industry's employee turnover intentions. The study highlights the major contributions made by scholars and practitioners in the domain of employee turnover intentions and the conclusions made regarding the various determinants for the growing speed of turnover intentions of the employees who work in the hospitality industry.

For long, human resource approaches and practices have played an important role in changing employees' perspectives, ideologies and behaviour. Therefore, turnover intention measured is subjective, which indicates the probability of an individual to leave or stay in the organisation as the reflection of his own attitude and behaviour towards the organisation. In the case of voluntary employee turnover, as concluded by *(Redman and Mathews, 1997*), it is primarily a reflection of the outflow of

expertise and talent, which has a crucial effect on the output and quality of companies. *Huselid (1995)* stated that certain H.R. practices that focus on high performance, including the labour management participation teams and promotions, have made a great contribution in employee development as they help not only in enhancing the employees' retention but also in the practices that bear a detrimental association with the employee turnover intentions. The high-performance practices invest in improving the service capacity, quality, and capabilities through various practices such as training practices, selection policies, rewards, performance appraisal, employee participation in decision-making, and many more of its kind. It would provide enough support to the human capital of any organisation to satisfy the consumers and successfully perform their tasks and duties as per *Tang and Tang (2011).* According to *Becker and Gerhart (1996),* the H.R. practices are majorly dependent on the optimum path selection, which would bring competitive advantage to an organisation and would increase the chances of survival and sustainability for any organisation. Such practices are company-specific and difficult to imitate and cannot be a cup of tea for all organisations. Numerous studies have shown that the management of human resources activities adds to organisational performances *(Gerhart and Milkovich, 1990; Becker and Gerhart, 1996).*

Therefore this research has focused on the antecedents of employee turnover intentions from H.R. perspective. The hospitality industry has the unique feature of it being highly labour-intensive, according to *Nolan in 2002.* Still, only a few studies have been done to highlight the impact of human resource management practices on the firm's overall results, according to *Namasivayam et al. 2007.* Studies conducted so far in the hospitality sector found the effect of human resources approaches on organisational productivity and well-being. But it has not considered many factors, and therefore the result is not concrete and has not given any conclusive evidence for the studies to be relied on *(Cho et al. 2006).* According to *Ghebregiorgis and Karsten, in 2007,* there have not been different kinds of research on the employee's reaction and behaviour to the different kinds of Human Resource approaches, which have a deep impact on the employees' turnover intentions. Therefore, it is very

conclusive that there are not enough researches conducted in the hospitality sector to understand the correlation of human resource practices with employee turnover intentions. There are plenty of studies conducted on human resource practices, but similar studies in the hospitality industry are scarce. The major HR practices which have a correlation with the turnover intentions are discussed below.

5.1.1 Recruitment and selection and Employee Turnover intentions

Recruitment is the fundamental platform for the employer's connection with the employee, according to *Rousseau (1994).* The sources of recruitment also play a very important role and have a strong connection with the employee's performance, attitude and absenteeism. The individuals recruited from the professional bodies and applied to the organisation through the self-initiated contact have more detailed and complete details about the work being performed and about the organisation's culture. This category of employees tends to have a long association and sense of connection with the organisation. But the individuals who are recruited through the newspapers, employment agencies or through college placements, do not have a very long tenure with the organisation because of the lack of understanding of the job and about the organisation culture, as stated by *(Breaugh 1981). Bonn and Forbringer (1992). Sims (1994)* stated that practical previews of jobs should be included during recruitment and selection to improve the probability of effective relationships at the entry-level of the employees. Behavioural interviews and bio-data testing are performed during the hiring process, according to *Paraskevas (2000),* but credentials are not reviewed like they are carried out in other industries.

Cho et al. (2006) stated that internal hiring and inadequate training for newly promoted employees lead to increased employees' turnover intentions. *Ghebregiorgis and Karsten (2007)* emphasised that to keep employee morale high, organisations must have proper staffing. The hospitality industry is known for its ill-defined practices during recruitment, and it has also been observed that the hotels' requirement is not met as per expectations because the hiring specifications are unclear. *(Collins,*

2007). In the present scenario, the organisations generally try to get the job fit candidates rather than the organisational fit candidates *(Paraskevas, 2000).* *Dawson and Abbott (2011)* stated that if the organisations select the employees according to the organisation fit, it would definitely result in his long-term association with the organisation and intention to perform better. Ghebregiorgis and Karsten stressed that proper staffing would help boost and retain employee morale because, in addition, to finding the right candidates, recruitment has a symbolic significance.

5.1.2 Training and Development and Employee Turnover Intentions

Training has significance to those businesses looking forward to achieving a competitive edge. There is a considerable discussion among the practitioners and academicians about the effect of training on both employees and the company's objectives. There is, on the one hand, a claim that training contributes to increased turnover, while the other claims that training is a mechanism that can contribute to retaining the workers *(Becker, 1993; Colarelli & Montei, 1996).* Professionals believe that training is a dynamic human resource activity that can have a remarkable impact on the success of the organisation. *Allen et al. (2003)* have concluded that if the employees are provided with the development opportunities and if the right amount of investment is made on employees, it will have a major impact on reducing the employee turnover rate. *Chang et al., 2007; Sherman et al., 1998* concluded in the research that employees were getting an opportunity to manage their career successfully and upscaling their skills helped increase the retention value of the employees. The American Psychological Association conducted a survey on 130 staff of a medical care company in 2001. Given the value of understanding the conditions in which high-performing employees are more likely or less likely to leave an organisation voluntarily, the study discovered that the nature of the relationship between job success and voluntary turnover has been uncertain. In order to highlight the relevance of training for entrants, research by *Lam et al. (2002)* confirmed that the hotel industry in Hong Kong was afflicted by high turnover, especially among those under a year of experience from 1985-1999, which ranges from 44% to 66%. A survey conducted on 249 participants demonstrated that training and career development initiatives are directly related to turnover intentions in addition to other HRM activities.

According *to Davidson et al. (2010)*, upskilling the employees and training them to meet the challenges of the hospitality industry has been a major problem. Therefore, considering the major global expansions in the industry, both formal and informal training plays a very important role. This would help in reducing the employee turnover intentions, help in enhancing the career paths to its employees and increase the quality of services to be delivered to the consumers, which ultimately depends on the level of employees employed in the hospitality industry. *Getz (1994)* identified one of the main causes of high employee turnover as the lack of well-trained and skilled personnel. *Solnet and Hood (2008)* expressed that the hospitality industry is considered a highly people-intensive industry where the people lack career growth opportunities, resulting in high turnover intentions. *(Barrows 2000; Nolan, 2002)* highlighted that on the job training methods are primarily used in the hotels, but according to *(Poulston 2007)*, the employers' failure to give training to their employees from the trained professionals has a strong adverse effect on the quality of training and the intellectual manpower available with industry. Therefore non-availability of proper training methods and trained professionals ultimately brings down the career opportunities to the people working in hotels and, as a result making them quit their job *(Bagri et al. 2010). Hai-Yan and Baum (2006)* found that the hospitality industry needs qualified professionals, so its employers must be provided with the requisite training and professional development to improve the expertise of front-office employees and gain a competitive advantage over other competitors.

Baum (2008) advised that generally, the hospitality and tourism sector has to focus on including its staff in training and development programs and increasing its investment in training and development programs. It is very important to develop the relationship between the employees and the employer and state clearly the expectations of both the parties, i.e. employers and employees, in terms of giving and take relationship which can be

discovered and specified clearly through the training relationships*(Sims, 1994)*.

5.1.3 Performance Evaluation and Employee Turnover Intentions

(Nankervis and Debrah, 1995) highlighted the fact that the upper level of management is making increasing use of performance management programs which has not taken their roots in the lower level of management in the hospitality industry. Approaches of performance management and appraisals should be performed on a continuous basis and to receive regular feedback and rewards *(Sims, 1994). Rousseau and Greller (1994)* laid down that it is important to consider the factors like proper understanding of job roles, unbiased evaluation of performance, and rewarding the fair and just rewards, both monetary and non-monetary, based on the employees' performance evaluation. *Redman and Mathews (1998)* stated that performance standards of the employees should be realistic, measurable and achievable. Customer service policies should guide performance expectations, which should be used as a benchmark for appraisals.

Poon (2004) found that the ratings are given based on performance appraisal help the management make decisions on promotions, increments, and pay rise. Therefore, it would be right to say that an unbiased rating would reduce the employees' level of morale and satisfaction positive association with the organisations. *Browing (2006)* stressed that recognition from the boss and superiors during the performance appraisal process would affect the service behaviour of the employees. Performance evaluations must always be backed up with fair justification of compensation and employee development. *Aggarwal and Bhargava (2008)* insisted that developmental evaluations and assessments associated with long-term and performance assessments, career growth, and skills-based training would lead to better employment ties.

5.1.4 Compensation and Employee Turnover Intentions

HRM must also take notice that compensation is the main factor, as it provides the workers with monetary incentives for their work and is a source of recognition and livelihood. The research conducted on 666 Thai workers concluded that rewards are among the main factors for employee job satisfaction and turnover intentions besides equity and growth opportunity.

Owing to low qualifications and a lack of union support, hotel employees have long been considered as the lowest-paid amongst staff in the other sectors *(Nankervis and Debrah, 1995).* Employees in the hospitality industry will benefit from financial and educational benefits, according to *Bonn and Forbringer (1992).* Low morale, work dissatisfaction, high turnover rate, and customer dissatisfaction result from chronically poorly paid and poorly trained workers. According to *Hai-Yan and Baum (2006),* the hospitality industry lacks good-quality human capital because workers do not like to work at the front desk for long periods of time due to the stressful work, low pay, and unclear prospects for advancement. According to *Namasivayam et al. (2007),* the connection between compensation and employee engagement and performance is stronger for employees at the management level. It has also been observed that basic and incentives motivate them to perform much better, and the connection between personal benefit and organisational effectiveness and performance is greater for employees at the non-managerial level. They are encouraged to improve with a blend of basic pay and benefits. Workers are more willing to meet different customer requirements if they believe their contributions are valued and recognised, according to *Tsuar and Lin (2004).* According to *Baum (2008),* managers should concentrate on improving the workplace culture and environment, particularly in terms of basic pay and benefits, in attracting and retaining skilled workers at all levels. Staff turnover in the hospitality industry is primarily driven by wages and decent benefits provided in other industries, according to *Chan and Kuok (2011).* Workers are less likely to consider quitting a company if the company offers career advancement opportunities and fair wages, according *to Blomme et al. (2010). Breaugh (1981)* employees concluded that they would be less likely to leave if they were given monetary and educational benefits. Employees in the hospitality industry are underpaid and poorly trained, resulting in low morale, work dissatisfaction, high employee turnover, and ultimately unhappy customers. Employees do not want to stay long in the hotel front office because of the exhausting jobs, low pay, and

unpredictable prospects for advancement *H.J. Kong and T.G. Baum 2006*. Blau's social exchange theory is based on the principle of reciprocity, which can either be positive or negative, meaning that if one group makes a positive commitment, the other group will also make a positive commitment, and if one group makes a negative commitment, the other group will also make a negative commitment (Cropanzano & Mitchell, 2005). The research has emphasised the compensation benefits, which positively increase the employee's morale. The expectations between both the company and the individual employee, as per *Schein (1978),* include not only on how much work will be performed for the compensation, but also on the complete set of duties, benefits and privileges.

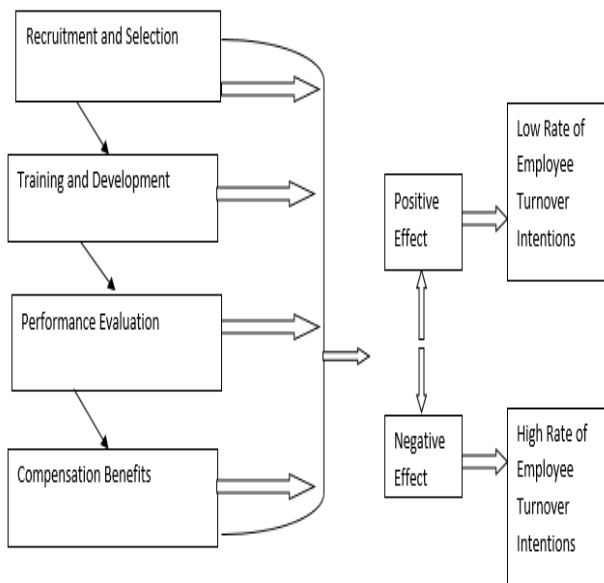**Proposed Conceptual Model of HRM Practices**

Fig: 1.1 Proposed conceptual model of HRM Practices

The proposed model on the human resource management practices has majorly addressed human resource practices such as recruitment and selection, performance appraisal, training and development and compensation and benefits. The model has clearly depicted the correlation of H.R. practices with employee turnover intentions. Human resource practices of an organisation are the mode through which the organisation's communication takes place in a transactional and relational manner which also shapes the relationship between the employee and the employer. Therefore the proposed model focuses on the correlation of H.R. practices with employee turnover intentions.

6. Findings

Through the studies conducted so far, it was clear that employee turnover is an inevitable part of the hospitality industry. It is important to focus on the employees perspective, mindset and expectations and their connection with the human resource management practices and policies. The hospitality industry is known for low entry-level skill requirements, which directly corresponds to low pay. It was also found that low pay is present not only at the lower levels but also at the managerial levels. Thereby, affecting the employee's connection significantly with the organisation, morale and satisfaction. So far, it has been concluded that various factors such as long working hours, ever-changing shifts, poor health quality considerations, high levels of stress, and highly volatile job requirements considerably affect the work-life balance of the employees working in the hospitality industry. It was also found that women working in the hotels are not able to balance their personal and professional lives effectively, as they have to give reasonable time to their families and raise kids, which does not let them match with the industry expectations. Therefore, the variables mentioned above result in stress and organisational, interpersonal tensions. In taking the study ahead to emphasise the working environment of the hotel industry, it was quite evidently found that the workplace conditions are not friendly. The managers and supervisors do not hold good relations with the employees and fail to understand their requirements and expectations. The industry also faces the problems of technological failures and temporary employment, which again contributes to building up the tensions and adversely affects the work-life balance.

There should be effective recruitment and selection procedures to select the right potential, which will increase the chances of employee's long term association with the company. As one of the H.R. practices, recruitment and selection is given due consideration as the employees selected from the sources such as placement agencies and campus recruitment generally are found not to stay longer with the company compared to the employees selected

through self-initiated contracts and professional bodies. It was also found that the employees should be the perfect fit for the companies to increase the duration of their stay with the company. **Therefore, it was found that there exists a negative correlation between recruitment and selection and employee turnover intentions.** It was also found that to get a positive performance from the employee, the principle of reciprocity plays a crucial role. It was also found that workers can get similar kinds of jobs in other industries. Therefore, it is very important to give the requisite and quality training to the workers from the trained professionals to increase their competencies, thus assuring career opportunities to the human capital. Employee development and systematic training opportunities should be offered on a regular basis to the employees to enhance the skills, abilities, knowledge, and capabilities that directly impact the motivation level of the employees and their turnover intentions. **Therefore it was found that there exists a negative correlation between training and development and employee turnover intentions.** Since the monetary and non-monetary benefits have a considerable impact on the motivation and morale of the employees, therefore performance appraisals should be conducted on a regular basis, and the employees should be awarded in accordance with the results. The findings of the study stress that if the organisation performs regular and unbiased performance appraisals, that would certainly help the employees to stay with the company for a longer tenure. **Therefore it was found that there exists a negative correlation between performance appraisal and employee turnover intentions.** The employees are known as the human capital, and therefore there should be increased participation of the employees in the decision making wherever it is found to be relevant. Salaries and incentives are the key reasons for high employee turnover in the hospitality industry; therefore, the organisations should take the necessary measures to improve the standard of compensation compared to the other service industries. Since low work morale, dissatisfaction, and employee turnover intentions are majorly dependent on the wages and benefits, and the organisations have to take effective steps to match the compensation benefits with the other industries to bring down the rate of turnover intentions. **Therefore, there is a negative correlation between compensation and employee turnover intentions.**

7. Limitations of the Research

The research has been conducted only in the hospitality industry; other industries can also be considered for analysing the effect of Human Resource practices on employee turnover intentions. Since the current study has taken limited variables such as recruitment and selection, compensation, performance appraisal, and training & development affecting the employees intention to stay or leave the organisation, future studies can consider other important variables such as employee empowerment, teamwork, employment security, information sharing, and job description.

8. Managerial Implications

As the research indicates, there is a dire need for the management to understand the employees' perspectives through constant supervision and direct meetings. Organisations policies should be flexible enough to be changed during difficult and changing times to ensure a strong psychological contract between employer and employees. It is also advised to the management for the inclusion of different H.R. practices such as behavioural training and soft skills development which will help in developing employees and should be a major area of concern for management to keep them motivated and committed. The H.R. practices should be reviewed on a timely basis to have the real-time inclusions stay updated. This would not let the companies go out of the latest trends. The existing employee's performance is advised to be reviewed on a regular basis, and results should be correlated to the financial and non-financial incentives. It is also advised to the management to also provide regular performance feedback to help employees understand the performance gaps. This would definitely help the employees to stay motivated and connected with the company. To take it further, the study has identified the major determinants of employee turnover intentions in the hospitality industry, such as low skill requirements, low compensation, work-life conflict, long working hours, poor health quality, high volatility in the job, poor job satisfaction, low morale, interpersonal tensions, work overload and minimum control over work schedules out of which

the low compensation is regarded as the critical factor contributing towards employee turnover intentions. Therefore, the management should look into these factors to reduce the increased intentions of the employees to quit the company. Undoubtedly, major HR practices would definitely affect the overall functioning of employees, security, and employees' well-being. Managers should initiate imparting training and development programs based on the unbiased evaluation of performance, which should also become the basis for identifying the skill gaps. But on the other note, it is also advised to set realistic, measurable and achievable performance standards in order to avoid any false impressions about the employee's performance. For the same, the company can set the customer service policies to guide the performance expectations, which can be used as a benchmark.

Management should opt for the effective mediums of recruitment and selection, which have fetched the company committed and loyal employees in the past and have increased the duration of the employees' stay longer. Management should give due emphasis on maintaining effective communication with employees on a regular basis, for evaluating and appraising the performance, giving incentives and awards accordingly and making performance corrections on time. The management should understand the relevance of the principle of reciprocity to get the desired performance, as there is always a two-way relation in any contract or bond between two parties in question. The employee's participation should be increased in the decision making to make the system more effective through brainstorming of new ideas.

9. Conclusion

In the hospitality industry, employee turnover is widely accepted as unavoidable. The paper concludes that there are various determinants of employee turnover intentions: work-life imbalance due to long working hours, ever-changing shifts, poor health quality considerations, high level of stress, low morale, poor job satisfaction, and highly volatile job requirements. The other determinants being; low skills recruitment at entry-level, low compensation plan, abnormal and ever-changing work shifts, poor health quality, work-life stress,

women's incompatibility to balance personal with professional life, highly volatile job requirements, relations between the employees and managers, organisational, interpersonal tensions, workplace conditions, technological failures, and temporary employment. The employees in the hotel industry perceive the pay to be amongst the main factors for staff turnover; therefore, important changes should be incorporated to enhance salary levels compared to other service-oriented businesses. These determinants have been seen seriously affecting the employee's intentions to quit the company. Besides understanding the reasons for turnover intentions, it becomes relevant to focus on the hospitality industry's major HR practices, which will help bring down the rate of employee turnover intentions if given due consideration. The human resource management practices and policies critically affect the employee's turnover intentions. Therefore it is concluded that the hospitality industry must develop human resource management strategies such as: appropriate methods of recruitment and selection, continuous performance evaluation methods, developing job skills through training and development programs, compensation plans, employee security, workplace climate, manager-employee relationship and management of human capital**.** In order to hire potential applicants, good recruitment and selection practices are necessary. It was also observed that to improve the employee's expertise, talents, and abilities, structured preparation and career growth opportunities must be provided to workers, inspiring employees to stay committed to the company for a longer period of time. Performance assessments must be done frequently, and evaluation outcomes must be connected to financial and non-financial incentives that will boost the potential performance of employees. Human resource practices also have a significant effect on an employee's psychological contract. Therefore, these should be reviewed on a regular basis to keep up with changing employee standards. Based on the conceptual framework developed in the current study, it is recommended that training and development practices and strong communication between employees and employers can help in lowering down the employee's dissatisfaction and ultimately their intentions to leave.

The model's framework provides a mechanism by which organisations human resource departments could evaluate the system objectively, and human resource experts could promote the management practices that reduce employee turnover costs. Employee retention and motivation are influenced by the organisation's H.R. policies, which demonstrate to employees how much the company values their employees and the employment relationship. No doubt, the organisations in the hospitality industry face the critical issue of the increased rate of employee turnover, but there are several H.R. practices that would help the industry to deal with the problem and stay competitive with the other industries.

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Online Teaching and its Effect on Students' Progress -
Post - Covid Learning Strategies for Higher Education Sector

Dr R Murali[*]

Mr S Roger Innocent Benson[**]

Ms Y Arul Sulochana[***]

Dr V Mahalakshmi[****]

A b s t r a c t

The Covid Pandemic outbreak has taught lots of lessons to the teaching industry. However, everything is learning. The production may stop, marketing may stop, even a customer shall stop purchasing, but the learning alone would not stop. Our technology has gifted a thrill word called "Online", with this facility, the classes of the management students went well. The student's progress and their perception are recorded in the study. A structured questionnaire was framed based on the online classes with 31 independent variables, and the responses were collected from the MBA students of Tiruchirapalli, Tamilnadu. A conceptual model is suggested using statistical tools, and the predictors of placement readiness are identified in the study. The results of the study suggested that the students are expecting content beyond the curriculum and valuable inputs from the faculty members. Virtual learning satisfaction is predicted when the faculty delivers the content beyond the curriculum.

Keywords: *Online Learning, Covid Pandemic, Management Students, Virtual learning, Students satisfaction*

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[*] Assistant Professor, St Joseph's Institute of Management, St Joseph's College, Tiruchiapalli, Email: muralihamra@gmail.com/murali@jim.ac.in, Ph.: + 91 7358051015

[**] Assistant Professor, St Joseph's Institute of Management, St Joseph's College, Tiruchiapalli, Email: roger@jim.ac.in

[***] Assistant Professor, Assistant Professor, St Joseph's Institute of Management, St Joseph's College, Tiruchiapalli, Email: sulochana@jim.ac.in

[****] Assistant Professor, Department of Management studies, Saranathan College of Engineering, Tiruchirapalli, Email: mahalakshmi-mba@saranathan.ac.in

Introduction

The Coronavirus induced pandemic in 2020 has taken the world by storm. It disrupted the normal ways of life and introduced humankind to new ways of living. The internet is one such medium that was hugely made use of during the pandemic. In the first few weeks of the pandemic, when almost all nations started to impose lockdowns and forcefully kept people at home, even Internet giants like YouTube and Netflix lowered the video quality on their services to keep the internet infrastructure running smoothly (Brian Fung, CNN, 2020). The latency on the internet got impacted due to the increased amount of human activities that were starting to get done online (Massimo Candela, 2020). Such was the widespread adoption and use of the internet during the pandemic.

Apart from using the internet for entertainment, financial services, the prolonged and uncertain nature of the pandemic has resulted in the internet as a medium for education. Though online education and some form of hybrid learning were present in colleges and universities even before the pandemic, the unprecedented scale at which students and teachers adopted online education all over the world is simply mind-boggling.

Online Teaching and Learning:

Online teaching refers to the interactions between a student and a teacher in a virtual classroom setting. In traditional methods, the instructor and the pupil were meant to be present physically in close proximity. However, with the advancements in technology and high-speed internet connectivity becoming ubiquitous, the student and teacher may be separated physically by time and distance and yet a classroom setting can be mimicked. The pupil and the master can be seated in the comforts of their home or any place of their liking, and all they require is an uninterrupted internet connection. Applications like Google Classroom, Cisco Webex, Microsoft Teams and Zoom are all tools that help to achieve this virtual classroom feel. Especially in the Indian context, where access to paid applications is a luxury for some, even common chat apps like Whatsapp and Telegram are being used for online education. Teachers and students are on their mobile phones during the 'scheduled classroom hours' with classroom lectures and materials uploaded as videos and image files after the completion of the lecture.

The Effectiveness of Online Teaching:

Availability and accessibility of computer hardware, software and a decent internet connection are all prerequisites for online education. However, the effectiveness of delivery and learning and retention levels of students via the online medium is a subject of intense speculation and debate. (Anna Ya Ni, 2018) A study on the effectiveness of classroom and online learning indicates that a student's performance as measured by a grade is independent of the mode of instruction, be it offline or online. The students may have to put in a lot more effort to stay competitive and be on time with assessments in an online learning environment rather than a classroom atmosphere. Also, online learning may not be the right or best method to learn for every student (Heather Kauffman, 2015). Different students have different learning styles, and sitting in front of a monitor for extended periods of time may not yield the optimum learning experience for everyone. The performance of the students can be improved during online study experiences as the students become self-sufficient learners in an online mode (Mark Stansfield, 2004). This is achieved through tailoring the pace of study according to one's personal needs and requirements and gaining flexibility of access to learning materials and assessments that provide a greater sense of reflection over their performances.

From the faculty or teaching end, online learning needs to fulfil the three basic ideas: cognitive presence, social presence, and teaching presence (Randy Garrison, 2003). The teaching and cognitive presence are taken care of during the online class. It is the social presence that is found missing. Teachers are not in a position to physically make eye contact with their students and attend to the students individually as they can during a physical class. The command that a teacher can receive in a classroom will be missing, and they have to watch the images of students through a video camera. So, as a result, certain new and innovative teaching and pedagogical skills are also needed to make online education a learner-centred teaching model (Liesbeth De Paepe, 2018).

Online Teaching and MBA Students:

MBA all over the globe and more so in a developing country like India is viewed as an aspirational course where students seek to further their careers by investing their time and money for a period of two years. Owing to the classroom disruption due to the pandemic, MBA, like all other courses, also needed to be done online with lectures, discussions and assessments moving to the virtual mode. Globally, students have found this online MBA experience beneficial because they could access friends and classmates from distances apart (Kyong Jee Kim, 2005). They felt that virtual learning would help them be a part of the global business environment. Moreover, instructor behaviour, the way a professor takes forward an online class, is a key indicator of the effectiveness and success of the program (Arbaugh, 2014). To cater to the aspirations of today's generation of MBA students is a huge challenge for any set of teachers. Doing that online is an even greater challenging proposition.

This research study discussing about online learning in these challenging times amongst MBA students in Tamil Nadu seeks to inquire into these issues.

Review of Literature

Keengwe & Kidd (2010) explored the transition from traditional classroom-based teaching to online learning. Online learning is a challenge for both the students and faculty members since their roles are different from that of a conventional classroom setting. Teachers need to be conversant with the usage of information and communication technology tools to deliver content online. Cognitive tasks under an online setting undergo considerable changes in the virtual classroom environment. **De Freitas et al. (2015)** studied the effects of Massive Online Open Courses (MOOCs) on higher education and learning. Though MOOCs have been largely successful in attracting larger student groups and broad base education to a wider audience, concerns still remain with regard to the quality of teaching and learning that happens. This paper views MOOCs as a change agent for higher education but at the same time reviews and analyses how course retention can be made more effective. **Bowers & Kumar (2015)** performed a comparative analysis on students' perceptions between learning in a physical environment and online learning. The results of the study are quite contrary to the commonly accepted wisdom. The students perceived stronger social and teacher presence in an online teaching environment. Implications of the results of this research are crucial for further discussions. **Nguyen (2015)** examined the effectiveness of online learning and categorised them as positive, negative and mixed or null findings. The study finds out that distance or online education is at least as effective as traditional learning in areas such as student test scores and their engagements with the classroom materials that are provided. More importantly, there is a stronger sense of community amongst the students with very little withdrawal from the classes and students failing their exams. **Hodges et al. (2020)** talk about the structural differences between emergency remote teachings as is being done due to the pandemic and between systematised online learning. Understanding the differences between the two is important for academicians because proper online learning will have a fundamentally different course and instructional design. Abrupt and unplanned migration to online teaching from classroom learning can lead to diminishing the overall effectiveness of the course being delivered. **Dhawan (2020)** has performed a SWOC analysis of online learning in the Indian context during the Covid pandemic. Academic institutions were left with no other choice but to shift to online both for learning and for assessing the students. This is also the time that has seen an exponential growth of educational technology (EduTech) startups and their facilitation of online education. Innovations and changes are inevitable in the education sector, and both teachers and students must get ready for this challenge. **Xu & Jaggars (2013)** have studied the impact of online learning on students' course outcomes. The study has estimated the learning in an online setting versus a face to face course delivery. Analyses gave negative estimates in terms of both course persistence and grades achieved in online learning. The study recommends colleges to evaluate their quality of online coursework before expanding. **Dinning et al. (2016)** assess whether a blended learning approach can enhance students' transition into higher education. The study intended to capture the students' attention and their curiosity levels during online and face to face sessions. Blended learning

was found to be an effective method for students during their initial days at college.

Research Methodology

Using a five-point Likert scale, the researcher constructed a questionnaire based on the following components, "Teachers cohesion with students", "Supportive Virtual Learning Environment", "Online Content Delivery and Learning Experience", "Leverage of Technology", "Content beyond Curriculum", Virtual learning satisfaction, and "Placement Readiness". The questionnaire consists of 31 independent variables distributed to MBA students of Tiruchirappalli City. The total sample collected is 132. The responses were collected through google forms and analysed the data using IBM SPSS 23.0 and IBM SPSS AMOS 20.0. Descriptive Statistics, Pearson Correlation, Multiple regression and Structural Equation Modeling (SEM) were the statistical tools used. The questionnaire was checked for Cronbach alpha for internal consistency and derived satisfactory results.

Research Objectives

1. To study the demographic profile of the full time MBA students and their Internet usage pattern for online classes.

2. To find out the effectiveness of online learning during the Covid Pandemic outbreak.

3. To study the predictors of Placement readiness and virtual learning satisfaction of the MBA students.

4. To derive a Model for online learning to enhance the MBA students' managerial skills.

Research Hypothesis

H1a-Teachers Cohesion has a linear relationship with Placement Readiness.

H2a-Supportive virtual learning environment has a linear relationship with Placement Readiness.

H3a-Online Content Delivery and Learning Experience has a linear relationship with Placement Readiness.

H4a-Leverage of Technology has a linear relationship with Placement Readiness.

H5a-Content beyond the curriculum has a linear relationship with Placement Readiness.

H6a-Virtual Learning Satisfaction has a linear relationship with Placement Readiness.

Table 1 Computation of Cronbach Alpha Reliability Score for the Online Learning Constructs

CONSTRUCTS	NO OF ITEMS	CRONBACH ALPHA
TEACHERS COHESION WITH STUDENTS	5	0.815
SUPPORTIVE VIRTUAL LEARNING ENVIRONMENT	5	0.733
ONLINE CONTENT DELIVERY AND LEARNING EXPERIENCE	5	0.811
LEVERAGE OF TECHNOLOGY	4	0.814
CONTENT BEYOND CURRICULUM	4	0.804
VIRTUAL LEARNING SATISFACTION	4	0.834
PLACEMENT READINESS	4	0.862
TOTAL ITEMS IN THE INSTRUMENT	**31**	**0.810**

The Online learning effectiveness has seven constructs, and all the constructs were individually checked for the Cronbach alpha. The construct "Placement Readiness" with four items has an α of 0.862, which is highly reliable. Similarly, "Online Content Delivery and Learning Experience" has an α score of 0.811 and "Supportive learning environment" reported an alpha score of 0.733. All the constructs reported a satisfactory reliability score.

Table 2 Demographics and Internet Usage Pattern during the Online Classes

DEMOGRAPHIC AND INTERNET USAGE PATTERN	PERCENTAGE
Gender	
Male	63%
Female	37%
Device which you use to attend the online classes	
Laptop/Desktop	60%
Mobile	40%

Internet connectivity in your residence

Mobile Data/hotspot	61%
Broadband	35%
Dongle/Others	4%

Are you already familiar with the online learning and usage of online platforms

Yes	54%
No	23%
Somewhat	23%

Do you switch your "Video camera on" during your classes?

Yes	11%
No	29%
Occasionally/On Demand	60%

Did you experience any issues during the online classes in terms of technicality, network issues etc.

Very Frequently	8%
Frequently	22%
Occasionally	38%
Rarely	27%
Very Rarely	4%
Never	1%

Table 3 Computation of Descriptive Statistics for the Online Learning Constructs

Constructs	Range	Mean	Std. Deviation	Skewness Statistic	Skewness Std. Error	Kurtosis Statistic	Kurtosis Std. Error
LEVERAGE OF TECHNOLOGY	3.25	3.94	0.76	-0.29	0.21	-0.57	0.42
TEACHERS COHESION WITH STUDENTS	3.60	3.85	0.75	-0.45	0.21	0.03	0.42
ONLINE CONTENT DELIVERY AND LEARNING EXPERIENCE	3.00	3.73	0.74	0.04	0.21	-0.73	0.42
SUPPORTIVE VIRTUAL LEARNING ENVIRONMENT	2.75	3.60	0.74	0.37	0.21	-0.77	0.42
VIRTUAL LEARNING SATISFACTION	4.00	3.54	0.86	-0.45	0.21	0.41	0.42
PLACEMENT READINESS	3.50	3.49	0.88	-0.08	0.21	-0.69	0.42
CONTENT BEYOND CURRICULUM	3.75	3.37	0.89	0.05	0.21	-0.51	0.42

The Construct "Leverage of Technology evidenced the highest mean score (M=3.94, SD=0.76) shows a skewness (-0.29) and kurtosis (-0.57) score, which demonstrates the normality of the variables. "Teachers Cohesion with Students" reported (M=3.85, SD=0.75) shows a significant skewness score of -0.45, which is nearer to 1." Online Content delivery and learning experience" indicated (M=3.73, SD=0.74), which shows a normal skewness score of 0.04. The lowest mean of 3.37 is observed for "Content beyond Curriculum".

Table 4 Computation of Pearson Correlation Coefficient for Determining the Relationship between the Online Learning Constructs

	TCS	SVLE	OCDLE	LoT	CBC	VLS	PR
TCS	1						
SVLE	.736**	1					
OCDLE	.657**	.685**	1				
LoT	.646**	.607**	.733**	1			
CBC	.434**	.500**	.695**	.586**	1		
VLS	.371**	.415**	.600**	.501**	.759**	1	
PR	.484**	.612**	.617**	.582**	.675**	.697**	1
	H1	H2	H3	H4	H5	H6	

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

Acronym and Constructs Name

1. TCS - TEACHERS COHESION WITH STUDENTS
2. SVLE - SUPPORTIVE VIRTUAL LEARNING ENVIRONMENT
3. OCDLE- ONLINE CONTENT DELIVERY AND LEARNING EXPERIENCE
4. LoT- LEVERAGE OF TECHNOLOGY
5. CBC- CONTENT BEYOND CURRICULUM
6. VLS - VIRTUAL LEARNING SATISFACTION
7. PR- PLACEMENT READINESS

- Teachers Cohesion and Placement Readiness are positively related, r =0.484, p<0.05

- The supportive virtual learning environment and Placement Readiness are positively related, r =0.612 4, p<0.05

- Online Content Delivery and Learning Experience and Placement Readiness are positively related, r =0.617 4, p<0.05

- Leverage of Technology and Placement Readiness are positively related, r =0.582 4, p<0.05

- Content beyond Curriculum and Placement Readiness are positively related, r =0.675, p<0.05

- Virtual Learning Satisfaction and Placement Readiness are positively related, r =0.697, p<0.05

Computation of Regression Coefficient

Table 5 Determining the Predictors of Placement Readiness

Constructs	B	Std. Error	Beta	t	Sig.
(Constant)	-0.201	0.290		-0.692	0.490
1. TEACHERS COHESION WITH STUDENTS	-0.064	0.103	-0.054	-0.617	0.538
2. SUPPORTIVE VIRTUAL LEARNING ENVIRONMENT	**0.416**	**0.105**	**0.348**	**3.967**	**0.000**
3. ONLINE CONTENT DELIVERY AND LEARNING EXPERIENCE	-0.056	0.120	-0.047	-0.468	0.641
4. LEVERAGE OF TECHNOLOGY	0.159	0.099	0.138	1.608	0.110
5. CONTENT BEYOND CURRICULUM	0.172	0.095	0.173	1.817	0.072
6. **VIRTUAL LEARNING SATISFACTION**	**0.409**	**0.086**	**0.401**	**4.744**	**0.000**

Dependent Variable: PLACEMENT READINESS **R=0.796**

Regression Equation

Placement Readiness= Supportive Learning Environment*0.416 + Virtual Learning Satisfaction * 0.409

The construct "Supportive learning environment" is found to the significant predictor of Placement readiness where the t value is 4.967 (β = 0.348, p<0.000). The construct "Virtual learning satisfaction" is found to be the significant predictor of Placement readiness where the t value is 4.744 (β = 0.401, p<0.000).

Table 6 Determining the Predictors of Placement Readiness

Constructs	B	Std. Error	Beta	t	Sig.
(Constant)	.762	.293		2.600	.010
1. TEACHERS COHESION WITH STUDENTS	-.015	.107	-.013	-.137	.891
2. SUPPORTIVE VIRTUAL LEARNING ENVIRONMENT	-.024	.109	-.021	-.225	.822
3. ONLINE CONTENT DELIVERY AND LEARNING EXPERIENCE	.163	.124	.141	1.322	.189
4. LEVERAGE OF TECHNOLOGY	.037	.103	.033	.362	.718
5. **CONTENT BEYOND CURRICULUM**	**.642**	**.080**	**.658**	**8.076**	**.000**

Dependent Variable: VIRTUAL LEARNING SATISFACTION **R=0.766**

Regression Equation

Virtual Learning Satisfaction= Content Beyond Curriculm*0.642

The construct "Content Beyond Curriculum is found to be the significant predictor of Virtual learning satisfaction where the t value is 8.076 (β = 0.658, p<0.000).
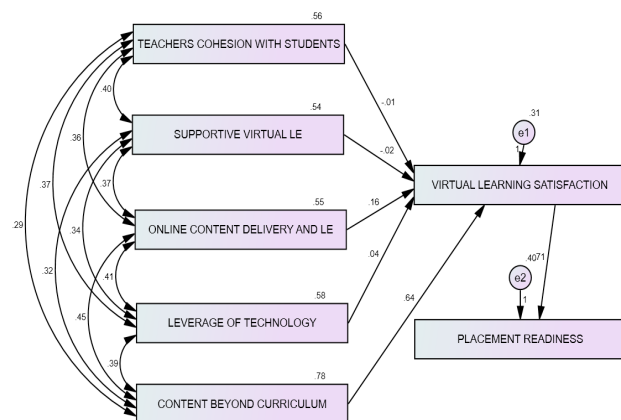

Figure 1. Derived Model using SEM for Online Learning

Table 7 Model Fit Index

MEASURES	VALUES	SOURCE
CHI-SQUARE	44.135	Hu and Bentler, 1999
GOODNESS OF FIT INDEX	0.924	Schumacker and Lomax (2016).
COMPARATIVE FIT INDEX	0.938	Bentler,1990

Findings & Discussions

None of us would have predicted this COVID-19 pandemic outbreak situation. The entire businesses around the globe got a hard hit in the revenue and education industry which faced an unadorned situation than any other industry. When this situation immediately arose, the entire education management industry turned simulated and made phenomenal efforts to give the physical classroom environment. Thanks to the technocrats and the technology for the virtual connection. Without wasting the days and years, productively, the days went on well with the online classes.

However, low internet speed, mobile hotspot based internets, and very few broadband connections are some issues the students faced during the initial stages of Covid lockdowns and online classes. The researcher of this paper attempted to provide a model for online learning, particularly for post-graduate management students. The survey was taken from 132 students, and the demographic findings are discussed. Out of 132 respondents, 63% are Male, and 37% are female. During the online classes, 60% of the students used "Laptop" and 40% of the student's patronised mobiles.

As expected, 61% of the students used Mobile-based hotspots to attend the classes, and 35% used broadband-based internet connections. A low of 4% of them used Dongles for online classes. A worthy number (which is 54%) of the people opined that they are already conversant with online platforms and do not find any difficulties. The rest of the people are very new to online classes. For the question, "Do you switch on your camera during your classes?", 60% of them responded that they would not switch on the camera and would switch only "If demanded". The majority of the respondents had a significant problem with their internet connectivity, and only a few of them had a stable internet connection.

All these classifications are discussed based on the primary database collected from the respondents.

Despite the fact that the online classes bridged the gap, the scope is limited when compared to physical classes. For the past two years, college students passed the years and examinations online. One and a half years went virtually in two years of MBA program. However, the efforts were not wasted. We should appreciate the efforts of the faculty members. Many of the faculty members are not initially proficient in delivering online classes. Gradually, they learned all the technical aspects and delivered classes equivalent to those of physical classrooms. They are thankful in this regard. As teachers, the authors are also proud of that.

As per the discussions and the opinions collected from the students, virtual learning satisfaction could be determined through the content delivered beyond the faculty members' curriculum. Most importantly, the supportive virtual learning environment predicts placement readiness, the most productive and expected outcome. This supportive environment is all about interacting well with the students online by giving a topic and asking them to present instantly, sharing important career-oriented information, and bridging industry-institute gaps by sharing industry information.

Conclusion

From these findings, we shall understand that the students are expecting many additional inputs beyond academics. This is in the hands of the institution to augment the faculty by giving them an opportunity to attend faculty development programs. Already the initiative of AICTE ATAL FDP is great as they have conducted numerous online FDP's which enhanced the faculty members' learning during the pandemic. Even though students learn through online interactions with the teachers and get valuable inputs from them, it gives them placement readiness and virtual learning satisfaction. Other factors like teacher cohesion and leverage of technology did not contribute to placement readiness directly, however, it indirectly influenced the students. From the results of the Pearson correlation, all the hypotheses were proved. Online or offline classes, students satisfaction and development is in the hands of the teaching faculty. The education management of any

institution and the administrators should be very keen on developing the faculty's knowledge for the furtherance of the students.

Scope for Futuristic Research

Students from various cities shall be examined empirically using the questionnaire, and a comparison of online learning and placement readiness shall be interpreted. Presently this study has collected data only from Tiruchirapalli, which is a Tier II city. The Tier I and Tier II cities, shall be studied, and managerial suggestions shall be given accordingly in future studies.

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Role of Higher Education Institutions in Perceived Behaviour Control and Entrepreneurial Readiness of Undergraduate Students in Kerala

Makesh K. G.[*]

Vineesh A. K. [**]

A b s t r a c t

The present study intends to examine the role of higher education institutions (HEIs) in Kerala in influencing the perceived behaviour control and entrepreneurial readiness of undergraduate students. The extent to which the institutional support and curriculum influenced the shaping of confidence and motivation of students towards entering an entrepreneurship career was examined using Structural Equation Modeling. A questionnaire-based survey was conducted among 276 final year undergraduate students in Kerala. The study revealed that the direct effect of HEIs on entrepreneurial readiness was insignificant, but the indirect effect through perceived behaviour control was found to be significant.

Keywords: *Higher education institutions, perceived behaviour control, entrepreneurial readiness, entrepreneurship*

[*]   Assistant Professor in Commerce, Government College Tripunithura, Ernakulam, Kerala 682301. Email: makeshkg@yahoo.co.in. Ph.: 9846737030

[**]   PhD. Scholar MG University, Kottayam and Assistant Professor in Commerce, Government College Mokeri, Kozhikode, Kerala 673507. Email: vineeshckd81@gmail.com. Ph.: 9946351360

Introduction

Studies have evidenced that Higher Education Institutions (HEIs) play an important role in promoting regional economic development (Lehmann, 2015). The concept of 'academic entrepreneurship' (Lehmann et al., 2020), which Sandstrom et al. (2018) defined as venture creation from research in educational institutions, has been accepted to be important. Thus, education institutions' role from academic knowledge centres and creators of human capital (Audrestsch & Lehmann, 2005) has changed to platforms for policymakers to promote innovation and growth (Sandstrom et al., 2018). In this context, higher education institutions are now seen as centres for developing entrepreneurial behaviours (Cunningham et al., 2019).

Given the role of HEIs in entrepreneurship, it is important to understand to what extent these institutions are capable of influencing the preparedness of their students to engage in entrepreneurship activities. It is also equally important to understand how it influences a students' perception of easiness or difficulty in engaging in entrepreneurial activity. An educational institution can influence the students' preparedness for entrepreneurship and their understanding of its difficulty in two ways - through the institutional support it provides and the curriculum through which education and skills are imparted. The present study attempts to identify the effect of higher education institutions' internal environment on the entrepreneurial readiness and perceived behaviour control of undergraduate students in Kerala. Thus the study hypothesised that the higher education institutions influence the perceived behaviour control and entrepreneurial readiness of the students. It is also hypothesised that the perceived behaviour control influences the entrepreneurial readiness of the students. If evidence provides support to the hypothesised relations, the study can add to the existing literature that a carefully designed curriculum and institutional support can positively affect the perception of students on undertaking businesses successfully and thereby preparing them for a successful entrepreneurship career ahead.

2. Theoretical Framework development and Measurement of Constructs

2.1. Entrepreneurial Readiness

The readiness to entrepreneurship is an individual's cognitive competence and entrepreneurial willingness towards a venture creation (Lau et al., 2012). Ruiz et al. (2016) defined entrepreneurial readiness as the convergence of personal traits that differentiate individuals based on their creative and productive potential to deploy their capability for self-achievement. Ajzen (1991) considered it as a person's willingness to carry out a certain behaviour. The determinants of entrepreneurial readiness consist of sociological, psychological, and business management factors (Coduras, Saiz-Alvares, & Ruiz, 2016) but Baringer & Ireland (2008) proposed entrepreneurial opportunity and entrepreneurial intention as the determinants of entrepreneurial readiness. A number of studies have identified various factors as components of entrepreneurial readiness. Based on the studies of Barringer & Ireland (2015), Choo & Wong (2006), McClelland (1961), Mitchell et al. (2002), Olugbola (2017), Shane & Venkataraman (2000), and Souitaris et al. (2007), the present study defines the major components of entrepreneurial readiness as **Opportunity identification** (Barringer & Ireland, 2015; Mitchell et al., 2002), **Motivation** (Choo & Wong, 2006; McClelland, 1961), **Resource utilisation** (Mosakowski (1998) & Wu (2007)) and **Entrepreneurial ability** (Souitaris et al., 2007).

2.2. Perceived Behaviour Control

Perceived behaviour control (PBC) means an individual's perception of the easiness or difficulty of performing a behaviour of interest (Ajzen, 1991). It is believed that one can start a venture by having the necessary resources and opportunities (Zhang et al., 2015). It is a measure of behavioural intention and the behaviour of oneself (Ajzen, 1991). Maes et al. (2014) found that internal and external control beliefs form PBC, which are linked to personal capabilities and situational control. Researchers have varied views about PBC, and some of them (Krueger et al., 2000; Kolvereid & Isaksen, 2006) suggested that PBC and self-efficacy (Bandura, 1977) are similar constructs. On the other hand, Armitage & Conner (2001) and Kraft et al. (2005) suggested that PBC has two components: self-efficacy and perceived

controllability. Self-efficacy (internal factor) means one's ability or confidence to perform the behaviour. Perceived controllability is an external force, and hence it shows one's ability to execute the behaviour. Vamvaka et al. (2020) opined that perceived controllability includes resources, opportunities and potential barriers. Perceived behaviour control is an antecedent of a person's behaviour readiness (Vamvaka et al., 2020) of starting a business in future. The present study adopts the definition of perceived behaviour control developed in the studies of Ajzen (1991), Linan & Chen (2009) and Vamvaka et al. (2020). Based on Vamvaka et al. (2020), perceived behaviour control is composed of **Perceived difficulty** (Guerrero et al., 2009; Kolvereid, 1996), **Perceived confidence** (Guerrero et al., 2009; Grundsten, 2004; Vamvaka et al., 2020), and **Perceived controllability** (Linan & Chen, 2009; Kolverreid, 1996).

2.3. Role of Higher Education Institutions

Turker & Secuk (2009) identified that institutional support to entrepreneurship relates to the policies, regulations and programmes that are implemented to support entrepreneurship. Higher education institutions play the role of a catalyst in providing support and encouragement to the creative potential of their students (Alencar et al., 2017). Saeed et al. (2015) suggested that institutional support, supplemented by concept development support and business development support, can play a vital role to shape students' entrepreneurial self-efficacy. In Lehmann (2015), HEIs were identified as capable of playing the role of key agents in promoting competitiveness. Audretsch & Lehmann (2005) argued that the role of higher education institutions have changed from that of generators of academic knowledge to that of vehicles to promote growth and innovation. Consequently, institutions become key role players in contributing to economic growth and aiding entrepreneurial behaviours (Guerrero, Cunningham, & Urbano, 2015). Colombo et al. (2019) identified that in the 'entrepreneurial ecosystems', which specifies how entrepreneurs interact with their environment, HEIs could play an anchor role. It is because HEIs, on the one hand, contribute to the advancement of science and technology, and on the other hand, they play a leadership role by creating entrepreneurial thinking (Hayter, 2016). The internal dimensions of higher education institutions

in this regard are important (Lehmann et al., 2020). The present study defines the role of HEIs to be composed of **Institutional support,** based on Alencar et al. (2017), Saeed et al. (2015), and Turker & Selcuk (2009), and **curriculum,** based on Garavan & O'Cinneide (1994), Moses & Akinbode (2014), and Keat et al. (2011).

3. Hypotheses formulation

Higher education institutions can provide a catalytic effect to encourage the creative potential of students (Alencar et al., 2017). Saeed et al. (2015) provided evidence that the educational support provided by the institutions can shape the entrepreneurial efficacy of students. The curriculum designed by the institutions should satisfy the students as well as the industry requirements (Pittaway et al., 2009), which in turn, would enhance the competencies needed for an entrepreneur (Bager, 2011). Moses & Akinbode (2014) and Mahajar & Yunus (2012) also argued that entrepreneurship education through curriculum would impact the students' entrepreneurial skills. Thus, the students can gain in their readiness to select entrepreneurship as a career choice. It can, in turn, affect the way in which students perceive the level of easiness with which they can succeed in business. Based on the evidence from the literature, the following hypotheses were formulated:

> H1: *Higher education institutions have a significant positive effect on perceived behaviour control of students*
>
> H2: *Higher education institutions have a significant positive effect on the entrepreneurial readiness of students*
>
> H3: *Perceived behaviour control has a significant positive effect on the entrepreneurial readiness of students*

4. Methodology

The study intends to identify the effect of higher education institutions on entrepreneurial readiness and perceived behaviour control of undergraduate students in Kerala. Thus, the constructs in this study include entrepreneurial readiness, perceived behaviour control, and the role of higher education institutions. The undergraduate students' Entrepreneurial readiness was developed as a higher-

order latent construct composed of four lower-order components – Opportunity identification, Motivation, Resource utilisation, and Entrepreneurial ability (Barringer & Ireland, 2015, and Mitchell et al., 2002). Opportunity identification was measured using the indicators developed by Baron (2004) and Davidsson & Honig (2003) and consisted of a four-item scale. It captures the ability of students to identify successful business opportunities and convert an opportunity to a successful business (Shane & Venkataraman, 2000). The motivation was measured using the items developed by Choo & Wong (2006), Coduras et al. (2016), and Olugbola (2017) and consisted of a three-item scale. It is the individual's desire to perform a directed behaviour (McClelland, 1961) and profit motive (Choo and Wong, 2006). Resource utilisation was measured using items developed by Mosakowski (1998), Olugbola (2017) and Seun & Kalsom (2015) and consisted of a four-item scale. It captures the ability to use resources in business (Wu, 2007). Entrepreneurial ability was measured using the items developed by Barringer & Ireland (2015), Gruber (2004), and Zahra (2011) and consisted of a four-item scale. All items were anchored on a five-point Likert-type scale (1= strongly disagree to 1= strongly agree).

The second construct, Perceived behaviour control, was developed as a higher-order latent construct composed of three lower-order components – Perceived difficulty, Perceived confidence, and Perceived controllability (Kolvereid, 1996; Vamvaka et al., 2020; and Linan & Chen, 2009). The perceived difficulty was measured using items developed by Guerrero et al. (2009) and Kolvereid (1996) and consisted of a two-item scale. It captures the perception of how easy it is to pursue and manage a business. Perceived confidence was measured using items developed by Guerrero et al. (2009), Grundsten (2004), and Vamvaka et al. (2020) and consisted of a four-item scale. It captures how the respondents are confident of their own skills to succeed in business. Perceived controllability was measured using items developed by Linan & Chen (2009) and Kolvereid (1996) and consisted of a three-item scale. It captures the extent to which the respondent believes the external environment of doing business was under their control. All items were anchored on a five-point Likert-type scale (1= strongly disagree to 1= strongly agree).

The third construct Role of higher education institutions, was developed as a higher-order latent construct composed of two lower-order components - Institutional support and Curriculum (Alencar et al., 2017; Garavan & O'Cinneide, 1994; and Keat et al., 2011). Institutional support was measured using items developed by Alencar et al. (2017), Saeed et al. (2015) and Turker & Selcuk (2009) and consisted of a four-item scale. It captures the role of the institutions in developing and nurturing entrepreneurial creativity among students. The curriculum was measured using items developed by Garavan & O'Cinneide (1994), Moses & Akinbode (2014), Keat et al. (2011), and Zegeye (2013), and consisted of a four-item scale. It captures the students' opinion on whether the curriculum is capable of accommodating the changing needs of business and involves real-life case-based learning tools. All items were anchored on a five-point Likert-type scale (1= strongly disagree to 1= strongly agree).

The study was conducted across the arts and sciences colleges in Kerala. There are sixty-six government colleges and 163 aided colleges in the arts and science category in Kerala. The state is divided into five administrative zones on a geographical basis for the regulation of aided colleges. To ensure geographic representation across the state of Kerala, three aided colleges from each of the five zones and one government college from five districts were selected as samples. A total of fifteen aided colleges and five government colleges formed the sample for the study. Fifteen students from each of the selected colleges formed the respondents for the study. A survey questionnaire was developed and employed to collect the students' perceptions of the constructs under study. The data were collected only from the final year undergraduate students since they have the highest level of academic experience and exposure to curriculum and learning. With 225 students from the aided colleges and 75 students from the government colleges, the intended total sample size was 300. Sample departments were randomly selected based on the number of arts and science departments in each college. From the selected departments, final year students were approached for data collection. Based on their willingness to respond, qualified students were identified for sample selection. A total of 309 students completed the survey. However, only 276 (89 per cent) responses were identified

to be used for data analysis. Approximately 57 per cent of students were females. Forty-one per cent of students belonged to the science stream, thirty-six to the commerce and management stream and the remaining to the arts stream. The relations between the constructs were analysed through structural equation modelling. The model assessment was performed using SmartPLS Version 3.0.

5. Data Analysis and Results

The entire data collected from the respondents were examined for missing values and outliers. Examination of data revealed some cases of missing values, which were removed list-wise. Outliers in data are considered to be extreme values that fall outside the expected population values for a single variable (Tabachnick & Fidell, 2013). If outliers are not identified and managed, it can severely distort the estimation of parameters, and thereby, the validity of the study (Carter, Schwertman, & Kiser, 2009). The study has employed z-scores to detect univariate outliers, with items falling above ± 1.96 considered outliers (Grove, Burns, & Gray, 2013) and are removed from the final data set. Univariate normality of data was also examined to identify whether the data followed normal distribution characteristics. Skewness and kurtosis values were computed using SPSS Version 25.0. It was found that the values were within ± 1.00 in all cases, proving that the data followed a normal distribution. The analysis of relations between constructs was done in two stages: (1) Measurement model evaluation and (2) Structural model assessment. The minimum sample size required (Hair, Ringle, & Sarstedt, 2011) to perform structural equation modelling analysis was examined using G*Power. The minimum sample size was computed to be 102, and the actual sample used for analysis is 276, which is adequate.

5.1. Measurement Model Evaluation

After the removal of outliers, a measurement model was performed to ensure that the data were reliable and valid. The constructs were identified as reflective in nature, and the hierarchical order of the components was measured using latent variable scores through a two-stage approach. The measurement model was evaluated through a Confirmatory Factor Analysis by ensuring that the constructs and their measures exhibit construct

reliability (internal consistency), convergent validity and discriminant validity. **Construct reliability** is a measure of the quality of construct, and shows the stability of measurement (Sekaran & Bougie, 2010), and is measured by Cronbach's alpha (Cronbach, 1951) and composite reliability (Janadari, Subramaniam, & Wei, 2016). It is seen that for all components, computed values of Cronbach's alpha are above the minimum value (0.70) recommended by Nunnally and Bernstein (1994) for reliability. The computed composite reliability values are above 0.60, recommended by Henseler & Sarstedt (2013) and below the threshold limit (0.95) recommended by Drolet & Morrison (2001). Thus the reliability of the measurement model is established. **Convergent validity** is a measure of the accuracy of a measure, truly representing a concept (Zikmund et al., 2013), and is measured by item loadings and Average Variance Extracted (AVE) (Hair et al., 2014). Item loadings for all indictors on its respective component factors are above the minimum of 0.708 recommended by Hair et al. (2017). AVE for all components is above 0.50, as recommended by Hair et al. (2017). Hence convergent validity is established. Tables 1, 2 and 3 give the reliability and convergent validity results. **Discriminant validity** is a measure to which a construct is truly distinct from all other constructs (Hair et al., 2017) and do not correlate highly with other constructs (Campbell, 1960). It is measured using Fornell-Larcker Criterion (Fornell & Larcker, 1981). The computed F-L criterion values of each component are less than the correlation of that component with all other components (Table 4). Since the criterion satisfies the prescribed conditions recommended by Fornell & Larcker (1981) and Hair et al. (2014), it is concluded that the model possesses discriminant validity. Since it was confirmed that the model satisfies all the requirements of reliability and validity, the structural model is assessed (Chin, 2010).

Table 1: Measurement Model Stage 1 (Perceived Behaviour Control)				
Components & it's Indicators	Loadings	Composite Reliability	AVE	Cronbach's alpha
Perceived difficulty				
Easy to Keep business viable	0.884	0.740	0.705	0.732
Easy to pursue entrepreneurship	0.793			

Perceived confidence				
High chance of success in business	0.781			
Skills and capabilities of entrepreneur	0.814			
Confidence to succeed in business	0.892	0.744	0.710	0.741
Start a firm and keep it viable	0.879			
Perceived controllability				
Control creation process of firm	0.860			
Few events to prevent from entrepreneurship	0.871	0.722	0.683	0.717
complete control over the situation	0.742			

Table 2: Measurement Model Stage 1 (Higher Educational Institutions)

Components & it's Indicators	Loadings	Composite Reliability	AVE	Cronbach's alpha
Institutional support				
Help to nurture creativity	0.864			
Improve social skills	0.822			
Inspire venture planning	0.889	0.779	0.753	0.737
Entrepreneurship training & support	0.895			
Curriculum				
Update to accommodate business environment	0.784			
Enhance learning experience	0.888			
Case-based learning experience	0.804	0.791	0.754	0.746
Create entrepreneurial attitude	0.850			

Table 3: Measurement Model Stage 1 (Entrepreneurial Readiness)

Components & it's Indicators	Loadings	Composite Reliability	AVE	Cronbach's alpha
Opportunity Identification				
Find successful opportunity	0.823			
Convert opportunity to business	0.778			
Search for business than job	0.809	0.710	0.667	0.704
Linkages to start business	0.853			
Motivation				

Desire to start business	0.778			
Desire to succeed in business	0.903	0.752	0.721	0.742
Desire to be self-sufficient	0.861			
Resource Utilisation				
Own resources to run business	0.913			
Nurtured ability to use resources	0.818	0.743	0.709	0.721
Secure finance and credit	0.791			
Entrepreneurial ability				
Shape conditions to benefit business	0.818			
Abilities help to run business	0.797			
Develop successful business plans	0.786	0.711	0.655	0.702
Manage teams to use resources	0.835			

Table 4: Measurement Model Stage 1: Fornell-Larcker Criterion

Components	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Institutional support (1)	**0.868**								
Curriculum (2)	0.353	**0.809**							
Perceived difficulty (3)	0.397	0.446	**0.840**						
Perceived confidence (4)	0.408	0.496	0.453	**0.843**					
Perceived controllability (5)	0.405	0.363	0.389	0.408	**0.826**				
Opportunity identification (6)	0.49	0.36	0.52	0.413	0.49	**0.817**			
Motivation (7)	0.481	0.382	0.487	0.369	0.384	0.443	**0.785**		
Resource utilization (8)	0.482	0.516	0.476	0.475	0.351	0.447	0.489	**0.842**	
Entrepreneurial ability (9)	0.404	0.416	0.353	0.355	0.496	0.442	0.457	0.45	**0.809**

5.2. Structural Model Assessment

Since the structural model presents the relations or paths between the constructs, its assessment helps to determine the model's capability to predict the outcome construct (Hair et al., 2017). The structural equation model was based on the partial least squares method, and hence, the focus is on the assessment of the model's predictive capability (Janadari, Subramaniam, & Wei, 2016). Thus, the structural model path coefficients, coefficient of determination (R^2), and predictive relevance (Q^2) of the model are assessed. Tables 5 and 6 gives the results. The relation (path coefficient) from the role of higher education institutions to perceived behaviour control has a value of 0.472, showing a high positive relation which is statistically significant (t = 8.043; p < 0.001). The relation from Higher education institutions to entrepreneurial readiness has a low value of 0.063, showing a very low relation which is statistically not significant (t = 1.094; p = 0.277). The relation from Perceived behaviour control to entrepreneurial readiness has a value of 0.512, showing a high positive relation which is statistically significant (t = 14.165; p < 0.001). Though the direct effect of HEIs on entrepreneurial readiness (path coefficient = 0.063) is not significant, it is important to examine two more effects – (i) indirect effect of HEIs through the mediator (perceived behaviour control) on entrepreneurial readiness; and (ii) total effect of HEIs on entrepreneurial readiness, which is the sum of the direct effect and indirect effect. The indirect effect (HEIs → Perceived Behaviour Control → Entrepreneurial Readiness) is the product of two direct relations (HEIs → Perceived Behaviour Control) and (Perceived Behaviour Control → Entrepreneurial Readiness). The indirect effect is found to be 0.242. The total effect (sum of the indirect effect of HEIs on Entrepreneurial readiness through Perceived behaviour control and the direct effect) is found to be 0.305. The results are given in Table 6. Thus it can be concluded that though HEIs do not directly affect entrepreneurial readiness, the total effect is quite high, indicating the relevance of HEIs in explaining entrepreneurial readiness.

Table 5: Structural Model: Path Coefficients

Paths	Path Coefficients	T-static	p value
Role of HEIs → Perceived Behaviour Control	0.472	8.043	< 0.001
Role of HEIs → Entrepreneurial Readiness	0.063	1.094	0.277
Perceived Behaviour Control → Entrepreneurial Readiness	0.512	14.165	< 0.001

Table 6: Direct, indirect and Total Effects

Effects	Paths	Path Coefficients
Direct	Role of HEIs → Entrepreneurial Readiness	0.063
Indirect	Role of HEIs → Perceived Behaviour Control	0.472
	Perceived Behaviour Control → Entrepreneurial Readiness	0.512
Specific Indirect	(Role of HEIs → Perceived Behavi our Control) * (Perceived Behaviour Control → Entrepreneurial Readiness)	0.242
Total	(Role of HEIs → Entrepreneurial Readiness) + [(Role of HEIs → Perceived Behaviour Control) * (Perceived Behaviour Control Entrepreneurial Readiness)]	0.305

Coefficient of Determination (R^2) is a measure of the model's predictive accuracy, showing the amount of variance in the predicted construct explained by its related predictors. The R^2 value of Perceived behaviour control is 0.527, meaning that 52.7 per cent of the variance in Perceived behaviour control is explained by its predictor (HEIs) and is statistically significant (t = 15.167; p < 0.001). The R^2 value of entrepreneurial readiness is 0.403, meaning that 40.3 per cent of the variance in entrepreneurial readiness is explained by its predictors (HEIs and Perceived behaviour control) and is statistically significant (t = 8.711; p < 0.001). As recommended by Henseler et al. (2009), the predictive accuracy of perceived behaviour control is moderate (above 0.50), while the predictive accuracy of entrepreneurial readiness is weak (between 0.25 and 0.50). In addition to predictive accuracy (R^2), Stone-Geisser's Q^2 value (Geisser, 1974; Stone, 1974) measures the model's predictive relevance. It measures how accurately the model predicts the values of the indicators in the measurement model and has to be larger than zero (Hair et al., 2017). The computed values of predictive relevance of Perceived behaviour control is 0.473

and of Entrepreneurial readiness is 0.297, which implies that the model has good predictive relevance for both constructs. Results are given in Table 7. Thus, the structural model assessment results prove that the effect of higher education institutions on entrepreneurial readiness is fully mediated by the perceived behaviour control of the students.

Table 7: Structural Model: R^2 and Q^2				
Paths	R^2	T-static	p value	Q^2
Perceived Behaviour Control	0.527	15.167	< 0.001	0.473
Entrepreneurial Readiness	0.403	8.711	< 0.001	0.297

6. Hypotheses testing

Based on the results of the structural model assessment, since the path coefficients from HEIs to Perceived behaviour control is statistically significant (path = 0.472; t = 8.043; p < 0.001), the hypothesis H1: *Higher education institutions have a significant positive effect on perceived behaviour control of students* is supported.

Test results show that the path coefficients from HEIs to *entrepreneurial readiness* is not statistically significant (path = 0.063; t = 1.094; p = 0.277). The hypothesis H2: *Higher education institutions have a significant positive effect on entrepreneurial readiness of students* is not supported.

The relation from Perceived behaviour control to entrepreneurial readiness is found to be statistically significant (path coefficient = 0.512; t = 14.165; p < 0.001). Hence the hypothesis H3: *Perceived behaviour control has a significant positive effect on entrepreneurial readiness of students* is supported.

7. Discussions

The study made an attempt to develop an entrepreneurial readiness model based on the role of higher education institutions and the perceived behaviour control of the undergraduate students in Kerala. The study found that the perceived behaviour control of undergraduate students consisted of three lower-order components: perceived difficulty, perceived confidence, and perceived controllability. While the students' perceived difficulty measures how easy they believe starting and continuing a

business is, perceived confidence measures how sure they are in believing that they can actually succeed in their entrepreneurial career. Perceived controllability measures the students' belief on how well they would be capable of controlling the creation of a business and how much control they would have over various business situations. The level of perceived behaviour control exhibited by the students was found to have a direct effect on the entrepreneurial readiness of the students. The entrepreneurial readiness of the students was identified to consist of opportunity identification, motivation, resource utilisation, and entrepreneurial ability. The study found that opportunity identification of the students meant their capability to identify a business opportunity and convert such opportunity to a successful business venture. Their focus towards entrepreneurship rather than searching for a job and the linkages and relations they develop were components of their opportunity identification capability. The college students' motivation was reflected by their intense desire to start and succeed in business and their yearning to make profits and be self-sufficient. Resource utilisation of the students was indicative of the possession of sufficient resources needed to start a business and the ability that they have nurtured within themselves to effectively utilise the business resources. Entrepreneurial ability indicated their ability to shape the external conditions so as to benefit their business. It is also composed of the students' capability to develop successful business plans and use their team building skills to make efficient use of business resources.

The major objective of the study was to identify whether the higher education institutions played a critical role in influencing the students' entrepreneurial readiness and their perceived behavioural control. The role of higher education institutions was composed of the institutional level support provided to the students and the curriculum delivered. Institutional support was composed of the institutions' role in helping the students nurture creative and innovative skills so that they can use these skills to pursue entrepreneurship careers. The development and refinement of students' social skills, which would help them interact better with the external business stakeholders, was also part of the institutional support. The level to which the educational institutions could inspire the students

towards an entrepreneurship career and the training and support provided was also an important part of institutional support. The curriculum delivered in the institutions was identified to consist of frequent and relevant updating for accommodating the changing demands of the business environment. A higher level of learning experience delivered to the students with real-life business case discussions and the creation of an entrepreneurial attitude among students was found to be an essential part of the curriculum.

The study found that there existed a weak and insignificant causal relation between higher education institutions and the entrepreneurial ability of the students. It is indicative of the fact that the learning environment in higher education institutions is not directly or closely capable of instilling the skills to identify business opportunities or to motivate them to pursue a business career. On the other hand, the study provided evidence that the higher education institutions had a positive and significant effect on the perceived behaviour control of the students. It means that the instructional deliberations could instil some insights into the students regarding the level of difficulty they would face in their business careers. The institutions also provided insights regarding the level to which the students could exercise control over the business environment. It was also found that the institutions were successful in instilling confidence among the students in their capabilities and skills to ensure success in business. The study also found that the perceived behaviour control of the students had a positive and significant effect on their entrepreneurial readiness. Thus it can be inferred that the perceptions the students develop about the difficulties of succeeding in business and the confidence they develop, and the skills they learn to succeed in it had a positive effect on the ability of the students in identifying successful business opportunities and to make use of business resources effectively.

8. Limitations and Directions for Future Research

Though the concept of entrepreneurial readiness among students in higher education institutions is a widely discussed concept, there exist few evidences to suggest what factors exactly affect such readiness. The readiness of the students towards an entrepreneurial career may be considered to be a very subjective concept that can be based on abstract measures and influences. The present study has attempted to adopt a limited perspective of the determinants of entrepreneurial readiness among students. Future studies may adopt a more comprehensive view of the causal effects of such readiness. Socio-economic and demographic profiles of the students may also shape the influencing factors that determine their entrepreneurial readiness. For example, a student from a business family background can be largely influenced towards business through an environment external to higher education institutions. Considering the overarching significance of the topic, more studies need to be undertaken with a wider array of variables so as to develop deeper insights for policymakers.

9. Conclusion

The study found that though the role of higher education institutions in influencing the entrepreneurial readiness of the students is weak and insignificant, the indirect effect through perceived behaviour control is found to be significant. The study also revealed that the direct effect of higher education institutions on perceived behaviour control and the direct effect of perceived behaviour control on entrepreneurial readiness of college students was significant. The institutional support provided to the students and the curriculum were significant components of the role of HEIs in inculcating entrepreneurial preparedness. Strengthening linkages with industries and starting business incubators in all colleges could go a long way in enhancing the entrepreneurial readiness of the students.

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Demographic Factors and Saving Behaviour:
Its Relevance in Financial Planning for Retirement

Prof. Kiran Hiremath[*]

Dr. Noor Afza[**]

A b s t r a c t

Life expectancy, in India, was 41 years in 1960, which stands at 69.4 years in the year 2018, as per World Bank (2020). This improvement in life expectancy is due to enhanced standard of living and improved healthcare system in India. Generally, the age for retirement is 60 years, which means individuals would lead life after retirement with no regular income unless individual has appropriate investments to ensure adequate income. Hence it is important for individuals meticulously make financial plan for retirement. Most of the government and all of private sector do not provide for regular income, in the form of pension after retirement. Hence, is the responsibility of the individual to make appropriate investments during the period of employment. Financial security can ensure and enable individuals to enjoy the life after retirement. The financial stress reduces to a large extent if individual starts investing at an early age. Primarily, demographic factors and saving behavior has relevance in understanding the individual's financial planning for retirement. The present study has considered predictor variables, namely age, gender, education, profession, size of the family, total earning members in the family, frequency of saving and advice for saving. The study is conducted in the Quilon City, Kerala. For the study primary data is collected using structured questionnaire. Google form was the medium to collect the data. Binary logistic regression is used to analyse influence of afore mentioned variables on individual's act to take decision to make financial plan for retirement. The study revealed that age, profession, number of earning members in the family, frequency of saving and advice for saving has significant impact on individual's initiative to plan for retirement.

Keywords: *Financial Plan, Demography, Retirement, Logistic Regression*

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*   Research Scholar, Tumkur University, Email: <u>kiranghiremath@gmail.com</u>

**   Professor, Tumkur University, Email: noorafza95@gmail.com

INTRODUCTION

Economic wellbeing of any economy depends to a large extent on the demography of the country. India's median age in the year 2021 is expected to be 28.34 years. Hence we can say that India is a young nation with 64.2 percent of the population is in the age group of 15 to 59 years (Population Projections for India and States , 2020). This young population will gradually grow old and reach retirement age. Retirement is defined as the time when one ceases to perform his or her main job and begins to receive pension income from public or private sources (O'Rand & Henretta, 1999). Hence in retirement an individual does not have regular income and depends on the pension income. To have adequate pension income, people should have made adequate savings during their work life.

If we look at general pension structure, most popularly it is made up of three pillars. First pillar is funded by government or unions; it is aimed at keeping poverty at bay. Second pillar is forced or occupational savings towards pension and third pillar is voluntary contribution pension account. (Willmore, 2000). In India, first pillar is nonexistent and second pillar is for organized sector and this forced saving may not be adequate to lead comfortable life after retirement. Hence, for financial independence after retirement, an individual must voluntarily contribute to pension funds. As per report titled 'Population Projections for India and States 2011-2016', only eight percent of total employment is in formal sector, it means almost ninety percent of employment is in the informal sector (Ministry of Health and Family Welfare, 2020). Therefore, it is essential that individuals make their personal financial plan for retirement. As per RBI's report on household finance, 77 percent of the individuals to not do financial planning for retirement (Indian Household Finance, 2017). If this young population, during their employment years, fail to make adequate financial plan for retirement, it would be worrisome situation to the government of the nation and to the individual personally. This paper is focused on understanding the influence of demographic factors financial plan for retirement.

Retirement planning is a choice an individual need to make voluntarily. There is no law which makes it mandatory for an individual to make investments in the financial assets for financing the retired life (Ng et al., 2011). It is important that financial plan is made for availability of financial resources after retirement, otherwise, it might lead to hardship and emotional stress in the old age. In many cases individual may need to continue to work after retirement. If individual makes financial plan for retirement early in life, he/she would have the advantage of saving small amount for adequate corpse at the time of retirement, due to compounding effect on the savings.

DEMOGRAPHIC FACTORS

Demographic factors are associated to saving habits and making financial plan for retirement. Individuals, at young age do not focus on saving as they feel it is the beginning of their professional life and there will be enough opportunity in the future to save for retirement. And retirement seems to at very distant time in future to think about when they have other big ticket expenditure on their mind, such as purchasing car or a house. But as they grow old and their financial commitments start increasing. Around the age of forty, they start thinking about saving for retirement and financial security after retirement (Anbarasu et.al., 2011: Petkoska & Earl, 2009). At this stage they would like to save for retirement but could find it a challenge to do so due to increased financial commitment. With age individual's risk tolerance with respect to investment also changes (Mishra et.al., 2019) It is found that age is positively associated with financial planning for retirement as age increases, there is higher probability that individual takes to saving for retirement. (Mansor et.al., 2015: Ng et.al., 2011: Rickwood). Compared to earlier generations, today's generation initiate early the financial planning for retirement (Hoe Kock, 2012).

Gender difference has impact on the financial planning retirement. There is empirical evidence that there is difference in their education level, salary level, saving habits and knowledge about financial products. Many women also have break in their career due to issues related to family. This gets reflected in low risk tolerance displayed by women in selecting their investment avenues (Fisher, 2010; Lusardi & Mitchell, 2008). Due to all these factors naturally there is difference in the approach taken

towards financial planning by men is different from women. Education has relevance on the earning capability, access to financial information and ability to understand and comprehend financial products. General education level has relevance to the financial literacy of the individual. Financial literacy is positively associated to the individual's capability to comprehend financial terms, and understanding various financial products. An individual with higher education has higher probability to have financial literacy and hence is capable to make financial plan for retirement (Mansor et.al.,2015, Kaur & Hassan, 2018, Hoe Kock, 2012). The type of occupation or sector in which individual is employed can influence his/her financial preparedness for retirement. Individual's earning stable income, is confident and has higher risk tolerance (Mishra et.al.,2019; Noone et.al.,2012). The sector in which a person is employed can also influence the financial plan. Individuals employed in financial service sector tend to have better financial literacy to make financial plan for retirement.

An individual, if married, most probably has a saving plan for various forthcoming big expenses. Hence there is higher probability that married individual would have more clarity regarding reasons for saving and would have a financial plan for retirement (Mishra et.al.,2019, Ng et.al., 2011). Number of family members can be a factor which can influence saving for retirement (Anbarasu et al.,2011). There can be contrary views regarding this factor's influence on saving for retirement. In case the family is large, then the living expenses could be high and even though the individual would like to save, but unable to save. On the other hand, because the family size is large, the earning member of the family can carefully manage and control the expenses budget to save for the foreseen and unforeseen expenditure and for retirement. The savings are directly associated with the income (Noone et.al.,2012). Importance of saving, understanding financial products or the amount saved is directly associated with the income earned by the family (Anbarasu et.al.,2011; Mansor et.al.,2015; Ng et.al., 2011; Kaur & Hassan, 2018; Rickwood). Earlier saving's association with family size was discussed assuming one earning member in the family and rest to be dependent on him/her. The situation can be different if there are more than one earning member in the family. The family can

hypothetically club everyone's income and take a holistic view and systematically make financial plan various objectives, including saving for retirement. So number of earning members should be positively associated with financial planning for retirement.

LITERATURE REVIEW

Anbarasu et.al. (2011) conducted empirical study in Tiruchrapalli to study impact of demographic variables on pattern of saving. They used chi square, multiple regression and logistic regression statistic to assess the relationship. They have considered frequency of saving, amount saved per month, proportion of income saved, mode of saving and purpose of saving as their criterion variable and age, gender, education, monthly income, occupation, family composition and earning members as explanatory variables. Their findings reveal that education and income are associated with most of the variables associated to savings.

Sitlani et.al. (2011) have studied influence of demography on investment choice. For this study they have considered respondents only from financial service industry, in the city of Indore, India. In their study they did not find any association between investment choice and demographic factors – age, gender, marital status, occupation and household income. But they found association between investment choice and education. So, it was observed that individuals working in financial service industry are financially literate and hence majority of the demographic factors did not associate with investment choice.

Vineet Mishra and Ajit Mittal (2019) studied the association between demographic factors and type of investors. Also association between demographic factors and risk tolerance was evaluated. The authors used risk tolerance scale developed by RBS Morgan with appropriate changes to suit the target respondents. Type of investment was divided into two categories, namely conventional and socially responsible investment. Statistical tools such as t test of independence, ANOVA and Chi Square test was used to check the significance of association between the variables considered for the study. The study revealed that there is significant association between risk tolerance and type of investor, occupation, age, and marital status. When association is between

demographic factors and risk tolerance with type of investment is evaluated, it was found that only risk tolerance was associated with type of investment, none of the demographic factors had any association.

Masor et.al. (2015) have conducted empirical study to understand association between demographic factors and financial planning towards retirement in Malaysia. They have considered health sector and have collected data from respondents working in health sector. Chi square test was used to evaluate the association between dependent and independent variables. The study revealed that education and family income is significantly and positively associated to retirement planning. Age is also significant factor but it is negatively correlated to retirement planning and gender did not have any association to retirement planning.

Ng T H et.al. (2011) undertook study to evaluate the relationship between demographic factors and intention to save for retirement in Malaysia. They considered demographic variables such as marital status, age, income, gender and education. Intension to save was captured by collecting responses on five point likert scale for four relevant questions. To evaluate the association between these variables they used t test, ANOVA and Post Hoc (Tukey method). The statistical analysis conclusively revealed that marital status, age and income had significant relationship with intention to save, whereas gender, education and occupation were not associated to intention to save for retirement.

Kaur and Hassan (2018) considered generation Y in Malaysia to investigate the relationship between demographic factors with financial literacy and financial planning for retirement. They found that age was not significant for financial literacy and retirement planning. Education and income had significant relationship with financial literacy and retirement planning.

Rockwood et.al. conducted empirical study in Sydney, Australia, to assess impact of demographic factors on saving for retirement and use of financial planners to do so. Wide range of demographic factors were considered, namely: age, gender, individual income, family income, education, employment status, number and age of children, employment status, and residential. The study revealed that only age, individual income and residential status was correlated to use of financial planner to make financial plan for retirement.

OBJECTIVE

Financial planning for retirement assumes importance at macroeconomic level as it has influence on saving and investment, it in turn has impact on capital formation and on government welfare budget (Sinha & Sinha, 2007). This topic also has microeconomic implications as it has relevance to a family and individual financial wellbeing. The literature on the subject states that demographic factors has influence on the dimensions such as saving habits, risk tolerance, financial planning, financial planning for retirement and so on. Earlier studies have also shown that influence of all demographic factors is not uniform across all the studies carried out. There are many studies conducted in other parts of world, but there is no study conducted in state of Kerala, India. The present study is taken up in the city of Quilon, Kerala, India. The objective of the study is to find relevance of demographic factors to individual making financial plan for retirement.

RESEARCH DESIGN

Descriptive and analytical research design is adopted for the present study. The data was collected in the month of June 2020. Due to pandemic, google forms was used to collect data. 250 responses were collected. Structured questionnaire was used to collect the data. The demographic data such as age, gender, education, occupation, income, family size and total earning members in the family was collected. They also form independent variables in the study. To capture financial planning for retirement, the question regarding retirement planning was asked and respondents had to answer in terms of 'yes' or 'no'. To understand the relevance of demographic factors on financial planning, logistic (binary) regression was used. To analyse the data Gretl software was used.

HYPOTHESIS

In logistic regression, regression coefficients are estimated using maximum likelihood ratio.

H_0: $\beta_i = 0$

ANALYSIS

Demographic profile of the respondents

Table 1: Demographic Profile of the Respondents

Factor	Particulars	Number of Respondents	Percentage
Age	20-30	73	29
	31-40	89	36
	41-50	54	22
	51-60	34	13
Gender	Male	175	70
	Female	75	30
Education	PUC	52	21
	Diploma	12	05
	Graduate	130	52
	Post-Graduate	56	22
Occupation	Self Employed	84	34
	Government Sector	68	27
	Private Sector	98	39
Income	Below ₹5 Lakh	29	12
	₹5 Lakh to ₹10 Lakh	84	34
	₹10 Lakh to ₹15 Lakh	71	28
	₹15 Lakh to ₹20 lakh	36	14
	Above ₹20 Lakh	30	12
Family Size	3 & less than 3 members	27	11
	4 members	111	44
	5 members	58	23
	6 members	38	15
	More than 6 members	16	7
Earning Members in Family	One	21	8
	Two	130	52
	Three	52	21
	Four	32	13
	Five	15	6

Age of the respondents ranged from 20 to 60 years. Large proportion of respondents are from the age group of 31 to 40 years (36%). Seventy percent of the respondents are male. The options for education ranged from pre-university course to post graduation, more than 50 percent of the respondents (52%) are graduates. In case of occupation, respondents are almost equally distributed over three options namely - self-employed, government sector and private sector. Thirty-four percent of the respondent's income range between ₹5 lakhs to ₹10 lakhs. The modal value for family size is four and for earning members of the family is two.

LOGISTIC REGRESSION

Logistic regression was run with criterion variable as 'planning for retirement' and demographic variables as explanatory variables. As all the demographic variables are categorical variables, dummy variables are created. For all the explanatory variable, first dummy variable is taken to be reference variable. To build a model first step is to check existence of multicollineality between independent variables. As per O'Brien (2007), variance inflation factor (VIF) method can be used to check the multicollinearity. O'Brien states that if VIF value is less than 5, then there is no multicollinerilty among independent variables. First model was run using Gretle, with all the independent variables.

Table 2: Model 1-VIF Value

Variable	VIF	Variable	VIF
DAge_2	1.475	DIncome_3	3.448
DAge_3	1.328	DIncome_4	2.762
DGender_2	1.058	DIncome_5	2.997
DEducation_2	1.405	DFly_Sz_2	3.634
DEducation_3	2.692	DFly_Sz_3	3.352
DEducation_4	2.419	DFly_Sz_4	4.659
DOccupation_2	2.449	Earn_Mem_2	5.793
DOccupation_3	2.503	Earn_Mem_3	4.843
DIncome_2	2.811	DEarn_Mem_4	6.992

It can be observed in table 2, VIF value for 'DEarn_Mem4' is higher than 5, which means there is multicollinearity issue.

Table 3: Model 1: Logit, using observations 1-250

Dependent variable: Save_4_Ret
Standard errors based on Hessian

	Coefficient	Std. Error	z	p-value	
const	2.56064	1.88537	1.358	0.1744	
DAge_2	3.87801	0.752779	5.152	<0.0001	***
DAge_3	3.37847	0.755359	4.473	<0.0001	***
DGender_2	−0.381745	0.506405	−0.7538	0.4509	
DEducation_2	−5.77797	1.72795	−3.344	0.0008	***
DEducation_3	−6.96991	1.74869	−3.986	<0.0001	***
DEducation_4	−7.65133	1.91860	−3.988	<0.0001	***

	Coefficient	Std. Error	z	p-value	
DOccupation_2	3.85788	1.20827	3.193	0.0014	***
DOccupation_3	3.24552	0.946125	3.430	0.0006	***
DIncome_2	1.80442	0.801507	2.251	0.0244	**
DIncome_3	3.93779	1.07789	3.653	0.0003	***
DIncome_4	5.74121	1.52847	3.756	0.0002	***
DIncome_5	5.44473	1.76467	3.085	0.0020	***
DFly_Sz_2	0.987575	0.789558	1.251	0.2110	
DFly_Sz_3	0.965460	1.11574	0.8653	0.3869	
DFly_Sz_4	−0.870387	1.53981	−0.5653	0.5719	
DEarn_Mem_2	−2.40838	1.17841	−2.044	0.0410	**
DEarn_Mem_3	−4.92274	1.46594	−3.358	0.0008	***
DEarn_Mem_4	−2.49949	1.87030	−1.336	0.1814	

*p<0.05, **p<0.01, ***p<0.001

Logit Model 1 (table 3) shows that gender and family size is not significant. Hence binary logit model was rebuilt by omitting variables and got following output.

Table 4: Model 2-VIF Value

Variable	VIF	Variable	VIF
DAge_2	1.412	DOccupation_3	2.134
DAge_3	1.264	DIncome_2	2.730
DEducation_2	1.263	DIncome_3	2.883
DEducation_3	2.489	DIncome_4	2.164
DEducation_4	2.190	DIncome_5	2.360
DOccupation_2	2.104	DEarn_Mem_3	1.322

After omitting the non-significant variables, all the variables have VIF value less than 5. It indicates absence of multicollinearity. Then we proceed to build binary logit model.

Table 5: Model 2: Logit, using observations 1-250

Dependent variable: Save_4_Ret
Standard errors based on Hessian

	Coefficient	Std. Error	z	p-value	
const	1.19557	1.41419	0.8454	0.3979	
DAge_2	3.82743	0.699738	5.470	<0.0001	***
DAge_3	3.16712	0.678635	4.667	<0.0001	***
DEducation_2	−5.80356	1.43144	−4.054	<0.0001	***
DEducation_3	−6.21212	1.35998	−4.568	<0.0001	***
DEducation_4	−7.16170	1.54620	−4.632	<0.0001	***
DOccupation_2	3.09497	0.910325	3.400	0.0007	***
DOccupation_3	2.53339	0.719289	3.522	0.0004	***
DIncome_2	1.87505	0.741134	2.530	0.0114	**
DIncome_3	3.19772	0.899749	3.554	0.0004	***
DIncome_4	4.00057	1.08862	3.675	0.0002	***
DIncome_5	3.50959	1.16273	3.018	0.0025	***
DEarn_Mem_3	−2.25327	0.651092	−3.461	0.0005	***

Mean dependent var	0.684000	S.D. dependent var	0.465846
McFadden R-squared	0.542232	Adjusted R-squared	0.458874
Log-likelihood	−71.39093	Akaike criterion	168.7819
Schwarz criterion	214.5608	Hannan-Quinn	187.2066

Number of cases 'correctly predicted' = 226 (90.4%)
f(beta'x) at mean of independent vars = 0.466
Likelihood ratio test: Chi-square(12) = 169.127 [0.0000]

*p<0.05, **p<0.01, ***p<0.001

In logit model 2 (table 5), we can see that all the variables are significant. McFadden R-squared value is 0.5422, it means 54.22% variance in criterion variable is explained by explanatory variables. Chi Square is used for testing adequacy of the model for fitting the data. Chi Square value is 169.13, which is significant at five percent. It indicates model is adequate. At 5 per cent significance level null hypothesis is rejected and therefore alternate hypothesis is accepted. All regression coefficients are greater than zero. In other words explanatory variables are able to explain 54.22 per cent variance in the criterion variable.

RESULTS AND DISCUSSION

Binary logit regression (table 5) indicates that age (Anbarasu et.al., 2011: Petkoska & Earl, 2009),

occupation (Mishra et.al.,2019; Noone et.al.,2012) and income (Anbarasu et.al.,2011; Mansor et.al.,2015; Ng et.al., 2011; Kaur & Hassan, 2018; Rickwood) are positively associated with individual's action with regards to financial plan for retirement. This finding matches with earlier studies. But it is found that, education is negatively associated with financial planning for retirement. It means that if individual is more educated, the possibility of planning for retirement reduces. It could be because, education result in person having more confidence in his/her capability to earn and making financial plan for retirement may not be of much interest. On the other hand, lower education could make a person less assured regarding future income, inducing him/her to save for retirement. As per literature, number of earning members is associated with financial planning for retirement, but the present study shows that it has negative influence. Once again the answer for this behavior could be overconfidence. More earning members could create a sense of financial security and make individual drift away from the thought that he/she need to make independent financial plan for retirement.

The present study also reveals that gender and family size is not significantly associated with retirement planning. This finding is in agreement with many earlier studies (Rickwood; Petkoska & Earl, 2009; Ng et.al., 2011; Noone et.al.,2012; Mansor et.al.,2015; Mishra et.al.,2019). It indicates, irrespective of gender difference, the outlook towards financial planning for retirement remains the same. Another factor, family size is not significant in case of financial planning for retirement. These two factors can further be probed for better understanding.

CONCLUSION

Financial planning for retirement is important topic, given that it has macro-economic and micro economic impact on the economy. There is consensus among many researchers on the topic regarding the influence of demographic factors in financial planning for retirement. But the studies do not have consensus on the definite set of demographic factors and their exact direction of influence on financial planning for retirement. There could be some other factors which has influence these demographic factors, and those factors could hold key to understand how

these demographic factors have impact on financial planning for retirement. The present study indicates that age, occupation and income had significant impact on financial planning for retirement at the same time, gender and family size did not have any influence.

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Net Positive
Paul Polman and Andrew Winston

Reviewed by Prof. C.P. Ravindranathan[*]

Societal obligations of business, a durable topic, but of increasingly compelling immediacy at the present moment, is what the two authors have sought to address in this book under a neologistic title. Paul Polman and Andrew Winston are storied individuals, the former a redoubtable CEO of Unilever and the latter an oracular authority on sustainability. An unchallengeable combination indeed, united in a theme in which they both passionately believe.

The term "net positive" may be thought of by some as being in proximity to "net neutrality" at first blush, or more probably in relation to the carbon footprint continuum, but it actually denotes something quite different. The authors through this smart but compendious term have sought to embrace a wide purport matching the sweep of their argument: as a concept it means fixing the problems that cause negative impacts and going beyond to create positive value for others. In concrete terms, since the book is about businesses and corporations, net positive companies would comprise food and agriculture companies embracing regenerative, soil enriching and bio diversifying activities; aluminium, cement and steel manufacturers developing carbon - free products and taking away carbon from the air; consumer product companies increasing human and planetary well- being with everything they sell; natural resource and material companies giving back to the earth and improving lives in the indigenous communities they impact and social

media companies helping people find truth and strengthening the democratic process. And more, particularly in Net Positive 2. 0, as the authors set out in the concluding part of the book the objectives verging on the utopian that a company in that category would pursue: commit themselves to do more good to society, challenge consumption and growth, rethink the measures and modes of the political economy's success, improve the social contract, bend the curve on capitalism and overhaul finance and defend democracy and science.

The sombre background against which these goals are set out is a world threatened by disastrous climate change and inequality, caused by a blind obsession of capitalist business with short term profits -Milton Friedman is predictably invoked- and shareholder primacy, yielding good and bad results in the extreme. As against the dominant logic of the present phase of the free market economy, the authors advocate a multi stakeholder approach across a wide range of the global socioeconomic system. The argument includes a rejection of suggested remedies like Michael Porter's " shared value" which Polman and Winston feel could be as limiting as shareholder value. Five core principles internalised into corporate performance would take it to a new level through the working out of the net positive dynamic: ownership of all impacts and consequences; acting for the long term benefit of business and society; creating positive returns for all stakeholders; driving

[*]   Hon.Professor, Xavier Institute of Management and Entrepreneurship, Bangalore, Email: ravindranathan@xime.org

shareholder values as a result, not a goal; partnering to drive systemic change. (Quoted from the book) The nursery, so to speak, for these transformational ideas of net positive as described in the pages of the book is Unilever, the venerable global corporate identified with numerous stellar consumer brands of transnational sway. In 2010, it had launched, with the author Polman at the helm, a ten-year plan called Unilever Sustainable Living Plan (USLP), embodying a long term visionary project and a road map on transformation of its business, with the objective of shifting the business to serve others". A many faceted project, it had three goals: "help a billion people improve their health and well-being, halve the environmental footprint while doubling sales and enhance the livelihoods of hundreds of thousands of people". Among the highlights of USLP's record, it helped 1.3 billion people improve health and hygiene; raised the use of renewables for electricity in manufacturing to 100%; achieved global gender parity in management; boosted the ratio of agricultural raw material sustainability to 67%; brought water use in production down by 49% and achieved zero waste to landfill at all the factories. Overall, the USLP both revitalised and refocused Unilever, its plan becoming even more centred on global targets once the UN launched the Sustainable Development Goals (SDGs) in 2015. Alongside its pursuit of human development with adherence to ESG (environmental, social and governance) at its core, Unilever doubled its sales while cutting its environmental footprint in half, thereby underlining the fact that business could proactively strive to create global good while being competitive and successful in what it does as business. There have been a few other corporate leaders in this story of what a good company means by being redefined. In enlargement of their number now including IKEA, Patagonia, Mars and Interface lies the prospect of business becoming a potent force in fostering a new global ESG order.

The authors spell out that net positive companies do the following to find purpose and unlock higher performance: recapture the original purpose of the company lying at its roots; look into what lies ahead to understand the world's need and where the company's purpose can best serve the world; get their house in order in terms of investment in people, brands and innovation; send the right signals and set policies to drive net positive thinking and action ; help top executives become authentic leaders living the company's purpose and enable all employees to find their own individual purpose and connect it to the company's.

Based on Unilever's experience, with USLP as the centrepiece, the authors lay out their thesis on net positive in ten chapters addressing the various aspects of the construct. Chapter one is on the strategies pivoted on the purpose of the company ; the second is on the making of net positive leaders; the third looks at the organisational dynamics ; the fourth considers goal setting with science -based targets notably covering the world's needs; the fifth is on the linking up of the inner work of organisations with external stakeholders reinforced by trust as the primordial factor; the sixth has interesting insights on synergies and multiplier effects through creation of partnerships variously involving sectors or suppliers ; the seventh is focused on issues of business, government and civil society working together in new ways for systemic change ; the eighth brings upfront fault lines of the market economy like tax avoidance, excessive executive compensation, corruption, diversity and inclusion; the ninth addresses net positive culture manifesting in such factors as diversity, inclusion and the need to challenge cultural norms of intolerance and finally, the tenth , on the net positive world in the near future and the task of making its agenda bigger, more demanding and more rewarding , as mentioned earlier in this review.

Among the strong points of the book's narrative is its delineation of the possibilities that corporate business commands as a prime actor in dealing with ESG issues at the global level; there is a great deal of instructive detail on that crucial aspect. It is on such a convincing base one of the principal arguments of the book rests: that climate change is the greatest market failure in history and inequality is a close second even as the market for wages does not reflect real value in a free market economy. Witness, to quote from the book, "essential workers who risked their lives during the pandemic often held minimum wage jobs. They kept the rest of us who can work by Zoom alive". Much as the authors, in telling phrases (evidently the handiwork of Andrew Winston), makes meta hypotheses like, "at a time when we

need to come together as a species, we are moving apart through declining democracy, accelerating nationalism and separation of people by ideologies (made worse by bubbles of misinformation)", they also pose the sobering question: with a movement of companies towards net positive, will we be creating the desired, contrary conditions? And they answer for good measure, "maybe not, but we have ideas on how to get there and what issues to address".

Reading this book, Milton Friedman would no doubt have been outraged, but then a Friedman who also reads day in and day out about the global commons and the global ecosystem being irredeemably harmed by the way the capitalistic system is working today (with the managerial elite being the sorcerer's apprentice, as some would say) might well think differently about the social responsibility of business. And might well agree with a good part of its argument.

But the wisdom and prescience of Peter Drucker, who is quoted twice by the authors in contexts incidental to their theme, provides the much needed correctives to some of the excesses of the net positive argument the authors make about the societal role of business. He had had the last word on the overriding goal of business fifteen years before Milton Friedman wrote that increasing its profits is the social responsibility of business - when he wrote that it is "common for every business to strive to make whatever is productive for our society, whatever strengthens it and advances its prosperity, a source of strength, prosperity and profit for the enterprise".

The book being based substantially on the experience of Unilever in dealing with ESG, a suspicion of boosterism may occur to some readers. Harvard is sometimes alleged to practice it. At any rate, the book's thesis could have been conveyed by the authors with a reduced length and a good deal of the repetition that it contains excised to assure a sharper focus on the issues so persuasively raised by the authors. The level of ambition that it assigns to business in responding to ESG issues is much too high, even allowing for new trends in corporate thinking and the activism that many companies are displaying to cope with the demands of sustainability. But all that aside, this book makes truly instructive reading.

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