



Faculty of Management Studies
Rajarata University of Sri Lanka

2022 **irsm**

The
BANI World
Co-creating
the Business Resilience
towards the New Normal & Beyond

1ST INTERNATIONAL RESEARCH SYMPOSIUM ON MANAGEMENT

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SYMPOSIUM
PROCEEDINGS



**1st International Research Symposium
on Management**

***The BANI World: Co-creating the
Business Resilience towards the New
Normal & Beyond***

Symposium Extended Abstracts

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Message from the Vice Chancellor



It is an honor for me to send this greeting on the occasion of the First International Research Symposium on Management (IRSM) of the Faculty of Management Studies, Rajarata University of Sri Lanka.

Rajarata University is the 11th University among the National Universities in Sri Lanka, and it is located in the center of the Sri Lankan cradle of Buddhism, Mihintale. Thus, it has identified its principal responsibility to discover and propagate novel knowledge, influenced by roots in Anuradhapura, where the first University in the world, the Abhayagiri monastery complex, was founded in the fifth century. Similarly, the University's main objective is to be a leading University in Sri Lanka and Asia in all fields of study with the highest caliber of education, research, and innovations. The research symposium organized by the Faculties become a strong foundation among other activities to take the University on a continued journey towards excellence and achieve the primary objective of the University. The IRSM 2022 can be named as one of the successful steps as it tries to leave its footprint globally.

IRSM 2022 aligns with the four-fold mission of the University in its capacity to enrich education, research, and innovation and to improve the thinking pattern, attitudes, and behavior to safeguard social harmony and sustainable development. The selection of a contemporary needed topic for the symposium, such as "The BANI world co-creating the business resilience towards the New Normal and Beyond", is thus highly relevant and appreciated as we all are living in an economically, politically, and socially turbulent time. The selected concept will make a solid awareness of how to be prepared and how to deal with circumstances positively and strategically under contemporary predicament circumstances.

Further, I am pleased to note the standards maintained by the Faculty of Management Studies, Rajarata University of Sri Lanka to position its symposium as an international symposium by aligning with well versatile international scholars, Universities, publishing partners, and indexed journals. In addition to that, the selection of the correct symposium theme adds more value as that is what is needed in Sri Lanka as of now. Further, I appreciate the scientific methods adopted by the scholars in carrying out their studies that address both academic gaps and empirical glitches which will be subject to great debates, discussions, and review during the International Symposium on Management.

Finally, I greatly appreciate the tremendous effort made by the symposium Chair, Co-chair, and Organizing Committee members of IRSM 2022. I hope all the discussants and presenters will well-use this platform to disseminate their valuable findings and thereby contribute to the academic, social, and economic development of Sri Lanka by large. Congratulations again and Thank you.

Prof. (Mrs.) G. A. S. Ginigaddara

Vice Chancellor

Rajarata University of Sri Lanka

Message from the Symposium Chair



Welcome to the 1st International Research Symposium on Management (IRSM) 2022. IRSM 2022 is one of the momentous events in the Faculty of Management Studies, Rajarata University of Sri Lanka as it creates a great platform for academics, professionals, and students to meet in a common forum to assess, debate, and recommend pragmatic solutions to academic and empirical glitches under scientific inquiries. Therefore, as the Dean of the Faculty, and the Symposium Chair, I am very privileged to write this message adding my wishes.

The theme of IRSM 2022 is "The BANI world: co-creating the business resilience towards the new normal and beyond". This theme moves with the emerging vital areas to explore to meet current economic and social challenges posed to all sectors in Sri Lanka. It encompasses vulnerability to resilience, innovation, and evidence. Similarly, IRSM 2022 introduces a proper tool that could assist us in finding pragmatic solutions for issues raised under the brittle, anxious, non-linear, and incomprehensible environments.

This appreciable endeavor will bring honor to the Faculty and the University as enhancing the research culture is vital for the country's sustainable development. Therefore, the Faculty of Management Studies unceasingly will be able to support the development and promotion of academic and empirical thinking of researchers in Sri Lanka by large.

IRSM 2022 has received 138 extended abstracts. After a rigorous review and a comprehensive editorial process, the symposium accepted 88 extended abstracts to be presented at the symposium. I thank all reviewers for their careful reviews to make an outstanding symposium. Further, the improvements suggested by the Editorial team are tremendous. The pre-conference webinars with world-renowned scholars and practitioners provided a great opportunity for the Faculty to position the IRSM 2022 as a symposium of high academic distinction. The technical sessions embed for generating an additional value to the Symposium.

I am grateful to the Symposium Co-chairs, Secretaries, Symposium track coordinators, and Session Chairs for their tremendous effort in organizing IRSM 2022 successfully. I also would like to express my gratitude to the Vice-Chancellor of the Rajarata University of Sri Lanka for her continued guidance and support to uplift the quality of the International Symposium. Subsequently, my appreciation goes to the keynote speakers, plenary speakers, all paper presenters, reviewers, panel members, academics, and all participants for being part of the symposium.

Finally, I am glad to be a part of the International Symposium on Management as it will excel the much-needed research culture among academics, students, and professionals to create a solid initiative to constitute a better tomorrow for Sri Lanka. I hope IRSM 2022 will be a turning point in uplifting the academic culture of the Rajarata University of Sri Lanka.

Prof. P. M. B. Jayathilake

*Dean, Faculty of Management Studies
Rajarata University of Sri Lanka*

Message from the Co-Chairs



As the Co-Chairs of the 1st International Research Symposium on Management (IRSM 2022), we are honored to bring this message to you and welcome all the participants for IRSM 2022 both physically and virtually. The IRSM 2022 sets a strong milestone in the Faculty's

academic calendar as it is expected to academically and empirically contribute to overcome the economic crisis that Sri Lanka faces right now.

We selected "The BANI world co-creating the business resilience towards the New Normal and Beyond" as the theme of the Symposium considering the frangible, distressed, non-linearity, and impenetrable conditions in Sri Lanka. Moreover, we hope this forum will allow the participants to engage in academically and empirically sound discourses that open-up new avenues that can strengthen the shattered Sri Lankan economy under a multi-disciplinary approach such as Accounting and Finance, Contemporary Management, Economics and Entrepreneurship, Human Resource Management, Information Systems, Marketing and Supply Chain Management, Operation and Total Quality Management and Tourism, Hospitality, and Event Management. Accordingly, the IRSM 2022 paves an excellent opportunity for all the collaborators to enhance their knowledge and competencies by attending different Symposium events, listening to Symposium presentations, panel discussions, technical forums, and guest speeches.

The Symposium is also decorated with pre-conference webinars hosted by Professor Luis Martines (University of Jain, Spain), Professor Dimitrios Buhalis (Bournemouth University, UK), Dr. Jamais Cascio (University of California), and Professor Roshan Ajward (University of Sri Jayewardenepura, Sri Lanka).

As the Co-Chairs of IRSM 2022, we also want to state that we reached the triumph of success with the abutment of many supporting hands who sacrificed their valuable time, energy, and contributed from stretch to the final event. Hence, we will take this opportunity to thank all the Committees for their sparking ideas and unconditional commitment. Further, we would like to express our sincere gratitude to all the Keynote Speakers, Plenary Speakers, and Guest Speakers for accepting our invitation. We would like to offer a note of appreciation to our Vice Chancellor, Professor (Mrs.) G. A. S. Ginigaddara, for her guidance and support. The event will not see the light of the day without the excellent leadership of the Symposium Chair and the Dean of the Faculty of Management Studies, Professor P. M. B. Jayathilake for empowering us and giving us the needed guidance whenever needed. Also, we immensely appreciate the contributions made by paper reviewers, and editors for their valuable time and effort.

Last but not least, we thank all the international and Sri Lankan presenters and participants for your presence today. I hope the IRSM 2022 will broaden your horizons and thereby contribute to the development of the world by large.

Dr. (Mrs.) J. S. Kumari

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Keynote Speech: Professor Dimitrios Buhalis



Good morning! It is fantastic to be with you today all the way from Hong Kong. First let me congratulate the Faculty of Management Studies, Rajarata University of Sri Lanka for organizing and conducting an international research symposium despite the challenges we all face locally and globally. It's wonderful to be able to talk about brains and smart tourism and the global tourism towards 2030.

The last few years we had a global challenge in tourism and a lot of difficult situations have emerged all over the place. We've seen that because of the Pandemic, a lot of the demand was deferred and a lot of the activity just stopped. And we had a major drop in tourists by 74% in 2020. This is after 30 years of continuous growth, and the sub growth was felt everywhere in the world, particularly for insular and peripheral regions, that they depend on tourism so dramatically for their livelihood and their ability to develop their economies.

This picture from Bali in Indonesia where they said no tourists, no food. And this is a picture from Naxos Island in Greece where the local guys who are producing teas could not sell their teas to anybody because there are no tourists around and there was no consumption. We see some optimistic trends towards 2022, but we see recovery after 23 towards 2030. And this way I'd like to focus on how can we do agility and agile tourism and smart tourism towards 2030. Of course, a lot of things will depend on legislation and how different countries are opening borders and allow tourists to travel. And you can see in Asia and China in particular, there are a lot of restrictions still in place. But after every storm there is a rainbow. And I think there will be great opportunities for moving forward tourism towards 2030. We need humanity, solidarity, leadership and resilience. These are the four qualities that they'll take us forward. And I think its government and also entrepreneurs and businesses and communities that they need to adopt those particular qualities to take us forward. We need a smart and agile tourism that's based on resilience and based on sustainability of resources. And we need to be able to look forward rather than look back to 2019. In order to be able to achieve those things, it's critical that we understand that the future tourism will be different from what we had in the past. And it will be based more on agility rather than planning.

We've seen so many conditions changing in the last few years within a few days' notice, so within a week everything was changing. And that's one of the things that we learned during the Pandemic how to be smart, how to be agile, how to be flexible in order to deliver products and services and experiences under any circumstances. It's absolutely important to look into how we can take things forward towards vision 2030. And vision 2030 is really about achieving the Sustainable Development Goals as they come from the United Nations and look into a whole range of different things. So my vision is looking for more anthropocentric tourism that is using agility. We need to look into customer experience, we need to look into digital ecosystems, we need sustainable development and we need industry competitiveness.

And you can see several A's there that they're actually describing how we are going to achieve 2030 Tourism 2030 through anthropocentric agility. Intelligence coming right in the middle

to inspire us and inspire innovation. We need inclusiveness and we need international approaches, global approaches and we'll have all the stakeholders around driving this intelligence. Now, as many of you will know, during the Pandemic I edited the Encyclopedia of Tourism Management Marketing and one of the key results is this pyramid that brings all the issues of tourism industry together. So on top you've got the tourism system where we need to look into the resources that are coming to the system and look on the output, the value that's being co-created through the system and the benefit that brings to all the stakeholders. But we also realize that the whole system is based on a pyramid.

On top of the pyramid you've got planning, management strategy, then you've got the market forces that we understand where consumers are going and what they want and what's the requirement. Then we look at the exogenous variables where all the different things that are happening in the external environment needs to be taken into consideration. Obviously the Pandemic bothered us for a long time. Now we've got issues with the war in Ukraine and many other regions around the world that they've got tensions right now and the impact that may have on energy prices, energy and food availability and different materials going forward. The entire pyramid is based on the technology and the infrastructure that will enable all the interaction and the ecosystem to come together and operate together as one.

Now, the beautiful thing of course, that we still have our assets and they are helping us to produce fantastic experience and co-create experience by bringing travellers to communicate with local communities and create authentic experience. This is absolutely critical for tourism and the more authentic experience are, the more wonderful the tourism industry and the achievement of the Sustainable Development Goals will happen.

One of the biggest challenges we are facing right now is human resources because a lot of people have actually left tourism for other industries in the last few years and we really need to start looking at how can we manage our talent and how can we make sure that the jobs that we are creating are satisfactory and support the local communities. Smartness takes advantage of interconnectivity and interoperability of integrated technologies to reengineer processing data in order to produce innovative services, products, procedures towards maximizing the value for all. Smartness is about creating innovative networks, ecosystems that will work together to create agility and to create smartness and value for all the stakeholders. We need human to human interaction and I think technology will enable us all these interactions to take place between business, governments, consumers, employees, interest groups, local residents and eventually with robots and machines. And eventually we'll have also machine to machine reaction.

Now technology will support a range of different things on what we call ambient-intelligence. It will be around us and we'll have the human centric approach where customers are right in the middle and then you've got the internet things, internet of everything. Eventually 5g and 6g eventually RFID, the mobile device applications, crypto currencies, sensors bitcoins pervasive computing, gamification and artificial intelligence and machine learning. All of those things surrounding us to create solutions and agility to manage different applications and to manage the ecosystem in the best possible way to maximize the value for all the stakeholders. So custom centricity, human centricity of the different stakeholders and the range of different technologies around them to take things forward. One of the interesting things that's coming is what we call Nowness. And nowness is based on its data driven, it's

consumer centric, it's experience enhancing, it's real time and it's co-creation of value and experiences. So nowness is going to create instant gratification because it will allow us to bring together all the different resources from different players to maximize the benefits instantly for consumers at the place where they are and supporting the co-creation of value for them. Also, we see now real time response and resilience frameworks developing through our search, where nowness is becoming right in the middle of destinations by bringing all the different destinations players together to create agile solutions and resilience. We need interoperability intelligence and interconnectivity to bring the smart systems together and enable all players within the destination to come forward and engage in this kind of agile ecosystem to maximize the benefits that are coming from them.

And of course, robotics are coming forward. This is a few years back in Kanjo in China where this little robot was following me, but not all the robots will be anthropomorphic. This research that we are doing on voice activated robots in hospitality industry, where we see the lot of people are using voice assistance at home and when they come to destinations and when come to hospitality, they also like to benefit from those services. And of course, the adoption of robots in hospitality is based on different kind of criteria and what we see is the managers will adopt robots if they provide relative advantage , and if they have got the top management support and because of competitive pressures, basically other people using them in the neighborhood. But we will see robots being coming forward to a whole range of different environments and supporting humans in all kind of this.

To conclude, I like to bring you the vision of intelligence where smart and agile co-creation of knowledge, and value for all these stakeholders will be based on anthropocentric value co-creation. It will based on empathy and community engagement. It will be based on dialogs and progress of stakeholders. It will be innovation and inspiration driven, technology empowered through connectivity in real time, bringing entrepreneurial and holistic value for everybody by bringing global awareness and focus and constantly evolving, constantly improving and constantly innovating and having tourist product that's on better constantly looking for how we can use agility to improve the value that we can create for all the stakeholders.

Thank you very much. I wish you a fantastic symposium and hopefully I will be with you on the next occasion very soon.

Professor Dimitrios Buhalis

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Keynote Speech: Professor Luis Martinez



I am here to give a short talk about computing with words in decision making. Today we will see this outline. First of all, I will introduce some concepts about computing with words are important in decision making. Then I will focus in some challenges mainly enrich vocabulary in computing with words. Finally, I will conclude with some conclusions.

So, when we talk about computing with words, we should be aware of computing with words is a methodology that try to emulate some capabilities of human beings. Mainly two of them capability to converse, communicate, reason and making decisions in an environment of imprecision, uncertainty. And the second capability to perform a wide variety of physical and mental task without any measurement. That means for instant when you are driving a car in a narrow road you don't think I am 5 cm from the left and 10 cm from the right and then I have to move 2.5 cm left to right just say I am closer to the right than to the left so I have to move a little bit to the left. So, this is the idea with computing with words. Because human beings in their activities mostly employ words in computing and reasoning processes and they try to obtain outcomes that are expressed linguistically from linguistic premises. So, computing with words aims to achieve human-level machine intelligence and to do that is necessary to be able to emulate the URW capabilities of human beings. So, we can say that Computing with words is a methodology in which words are used in place of numbers for computing and reasoning. The main URW computing words comes from fuzzy logic. So, although computing with words was introduced at the end of the 20th century their roots were presented in the seventies. The main idea of computing with words is to level up our computational flavor in which the inputs are linguistic information that should be translated into an operational URW language in which we make the computations and then the results are expressed in a linguistic way. So, what I want to point out is that computing with words is a methodology that can be used to reasoning, computing and mainly decision making with information described in natural language. So, why computing with words is so important in decision making. Mainly, because computing with words narrow the differences between human reasoning and computing. So, facilitate the manipulation of imprecise, vagueness in human decision making processes and in such a way computing with words can enrich the decision models making them more precise and reliable. Initial words in computing with words try to provide a model that have been used across a time and still in use that try to focus how to manage the process for linguistic input to linguistic approach. The linguistic approach should be translated into a manipulable language we will make the different computations and the results will be translated into linguistic information. Here is what the fuzzy URW is key to obtain such results. So, to deal with words in fuzzy linguistic approaches there has been developed different computational knowledge. Semantic models URW deal with the membership functions. Type 1 or type 2 membership functions the results are also fuzzy membership functions that are more difficult to understand and they need some kind of approximation to obtain a result. These are on different computational models based on symbolic approaches have been developed that deal with the indexes and all the other linguistics information and understand these models, like the linguistic 2-tuple had

been widely used in decision making. What are the main challenges of computing with words in decision making? URW like how to manage the different meaning of a words in a environment or how to increase the vocabulary to deal with linguistic information in decision making also we need sometimes in decision making to deal with different types of uncertainty in the linguistic preferences. So, I will focus in this short talk in how to enrich the vocabulary. Mainly, in computing with words applied to decision making most of the linguistic inputs are expressed by means of atomic terms. So, this is sometimes quite limited and we need to provide to this first model to elaborated information.

When they express their preferences, we need to develop some composite linguistic terms. So, in the literature there were some approaches try to deal with these problems. That are approaches where studies in their latest paper in the bottom paper in the slide in which we found some limitations like most of the models are far from human beings' convenience they are fixed up priori and they cannot deal with hesitant situations. So, we try to overcome these problems and try to develop linguistic expressions that enrich the vocabulary of computing with words in decision making with a model close to the human beings. Flexible and able to deal with hesitant situation so that means that the space when they had to provide their preferences sometimes, they cannot fix just one preference. High, low, taller one they doubt hesitate among the URW. So, to deal with these we proposed hesitant fuzzy linguistic term sets in which the preference can be provided by several linguistic terms like very low, low, and medium. But what happen this is not the way that the people usually the human beings URW their information we provide a way to URW this information by means of linguistic expressions by using context-free grammars. We propose a simple context-free grammar able to deal with these kind of linguistic expressions. Lower than, greater than, at least, at most and between. So, these kind if expressions are common in decision making and closer to human beings. So, the main issue to deal with this expression how to translate into a manipulable language. So, we transferred this expression to hesitant fuzzy linguistics term sets and from this linguistics term sets we need to compute within. So we proposed to transfer the hesitant fuzzy linguistics term sets in to a fuzzy membership function that represents their semantics by means of computing our fuzzy envelop. According to the different expressions we will obtain different kind of fuzzy membership functions.

Although, this idea has been widely used still there are some challenges but I would like to conclude this short talk pointing out that computing with words is a really useful tool for decision making processes because support the management of uncertainty of these kind of problems and try to bring closer human beings capabilities and machine processes. Of course, there are still some challenges in computing with words for decision making try to obtain better semantic representation for the preferences increase the vocabularies and try to deal with multiple types of uncertainties. With that focus today enrich the vocabularies we have done a lot of research in the other two challenges. Thank you very much for your attention.

Professor Luis Martinez

*Department of Computer Science
University of Jaén
Spain*

Keynote Speech: Professor Roshan Ajward



How can accounting help in co-creating business resilience towards the new normal and beyond in a BANI world?

First and foremost, thank you immensely again for providing me with an opportunity to deliver a keynote speech at your inaugural 1st International Research Symposium on Management. It is an immense pleasure to address this august audience and share some of my thoughts on how accounting could help co-creating business resilience towards the new normal and beyond. I strongly believe that you have selected a highly contemporary theme that is very much applicable to the current Sri Lankan context, which supplies a perfect example for a BANI environment. In my speech, I would like to explore how accounting could help businesses to navigate this situation with resilience and ultimately survive this turbulent environment not only in Sri Lanka but also in the world.

An Integrated Accounting Value Creation and Preservation Framework

Accounting can be considered the language of business and has a very long history. In 1494, Father Luca Pacioli documented the double-entry system in his thesis, *Summa de Arithmetica*. However, it seems that we have a misconception that accounting merely serves as a record-keeping and reporting function. I believe that accounting has a much greater role in a BANI environment. In a BANI environment, accounting should assist in defining, creating, delivering and sustaining the value of business entities (IFAC, 2020). The value should be defined in terms of an entity's vision, mission, values, and strategy.

- **Defining value:** Establishing and prioritizing stakeholders, understanding how they relate to the organization's mission and strategy, and determining how to balance their individual demands and expectations are all part of defining value. Value creation must be monitored and tracked using measures that integrate financial and non-financial aspects of a business entity. Moreover, incentives should then be matched to encourage behaviors consistent with the mission and the strategy of the business entity. Thus, accounting could support these aspects and help define and track value.
- **Creating value:** In a business entity, how value is produced requires the organization's strategy and business model, which must take into consideration all resources and capitals in an integrated manner. Accounting could facilitate strategic decisions and investments in resources and connections that lead to or increase strategic and competitive capabilities and resources, and thereby maintain value.
- **Delivering value:** In a business entity, delivery of value involves how value is rendered to stakeholders including customers and the society of a business is through responsible goods, services, and distribution networks. Accounting could facilitate

to measure and track delivery of such value to the stakeholders in terms of outputs and outcomes.

- **Sustaining value:** In a business entity, sustaining value is how value is preserved by maintaining it inside the firm and dispersing it to stakeholders including shareholders. Accounting could help improve transparently recording value allocation, results, and consequences, which ultimately improves accountability.

Thus, we could observe that accounting could facilitate in defining, creating, delivering and sustaining value of business entities, which helps businesses focus not only on the short-term but also on the short-term and the long-term. The short-term profit focus is taken into the long-term wealth maximization, leading to sustainable businesses, particularly in a BANI environment.

A Mechanism in Financial Accounting for Operationalizing the Integrated Accounting Value Creation and Preservation Framework

I would like to propose the Integrated Reporting (IR) framework of the International Integrated Reporting Council (IIRC) as a means of operationalizing the Integrated Accounting Value Creation and Preservation Framework that was proposed above. The IIRC defines an Integrated Report as “a concise communication about how an organization’s strategy, governance, performance and prospects, in the context of its external environment, lead to the creation, preservation or erosion of value over the short, medium and long term” (IIRC, 2021). Thus, the IIRC highlights that “the primary purpose of an integrated report is to explain to providers of financial capital how an organization creates, preserves or erodes value over time” (IIRC, 2021). Furthermore, they also emphasize that an integrated report expresses an organization's potential to deliver value and benefits to workers, consumers, suppliers, business partners, local communities, politicians, regulators, and policymakers. Thus, this is an ideal reporting framework in accounting that could be used for the Integrated Value creation framework proposed above, which could provide a holistic view for the stakeholders to make short-term, medium-term and long-term decisions, particularly in a BANI environment.

It should be highlighted that the IR framework highlights the importance of Integrated Thinking. It is “the active consideration by an organization of the relationships between its various operating and functional units and the capitals that the organization uses or affects. Integrated thinking leads to integrated decision making and actions that consider the creation, preservation or erosion of value over the short, medium and long term.”

This is shown in Figure 1. Without an integrated approach, it will be very difficult to steer the businesses in a BANI environment for survival, let alone success

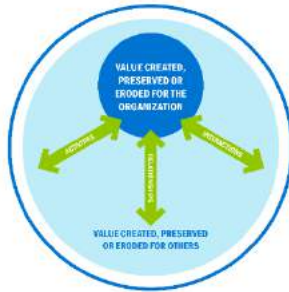


Figure 1 Value created, preserved or eroded for the organization and for others

Source: IIRC (2021)

I also would like to highlight that based on the IIRC's IR framework; we should not only concentrate on the financial capital. Traditionally, financial accounting focused only on financial aspects, which drew major criticisms. In contrast, the IR framework looks at six capitals which are financial, manufactured, intellectual, human, social and relationship, and natural capitals, which are in fact resources available to a business. In other words, capitals are value pools that are raised, diminished, or converted as a result of the organization's operations and outputs. For instance, when a business generates a surplus, its financial capital increases, and the quality of its human capital enhances when employees are better educated. Financial capital is the available pool of funds; manufactured capital include physical items that are accessible for use by an organization in the production, such as buildings and plant; intellectual capital is organizational, knowledge-based intangibles such as patents, copyrights, and licenses; human capital, which are people's competences, capabilities, and experience, as well as their willingness to innovate; social and relational capital is the institutions and connections within and across communities, groups of stakeholders, and other networks, and the capacity to exchange knowledge to improve individual and collective well-being, and finally, natural capital consists of all renewable and nonrenewable natural resources that include air, water and forests.

The capitals are converted into outputs and outcomes. This process through which value is created, preserved, or eroded is shown in Figure 2. Therefore, an Integrated Report shows not only the impact on the financial aspects but also other aspects as well.

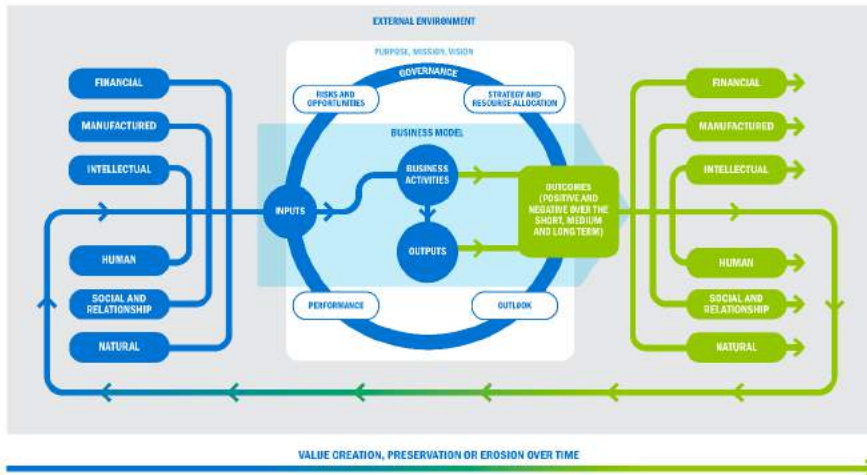


Figure 2 Process through which value is created, preserved or eroded

Source: IIRC (2021)

In a BANI environment, to get decisions rapidly, having such a holistic picture and information is considered to be vital. Furthermore, timely delivery of information is also considered to be of paramount importance. Usually, financial accounting reports are generated on an annual basis for external parties, but it would not be suitable at all in a BANI environment. Therefore, I propose to implement an integrated system within an entity and link it to an eXtensible Business Reporting Language (XBRL) platform, where the stakeholders could tailor their own reports and make vital decisions.

Strategic Management Accounting Mechanisms

This is one aspect of how financial accounting and reporting could help business entities to navigate in a BANI environment by providing timely and necessary information. Furthermore, the other branch of accounting, management accounting too could be extremely helpful for businesses in such environments. I see great potential in strategic management accounting, which has existed since the 1980s. Simmonds (1981) defined it as ‘the provision and analysis of management accounting data about a business and its competitors, for use in developing and monitoring business strategy’. I observe that although it has primarily been the realm of major firms, it is now being adopted by smaller businesses. I see some of the tools that are used could be very helpful in a BANI environment. For an instance, Activity-based costing monitors and costs operations through tracking resource usage and costing final outcomes. Based on consumption estimations, resources are allocated to activities and activities to cost objects. This increases the accurate costing of products. Then, benchmarking is where establishing relative levels of performance and underperformance through data collection, goals, and comparators. It aids in determining optimum techniques for improving performance. Competitive position monitoring involves monitoring and assessing the company's performance concerning its market position and the market positions of important rivals. Furthermore, an estimation of rival unit costs based on available data will be performed and examine competitor financial statements to assess their strengths and shortcomings. Customer profitability analysis involves examining the revenue streams and service expenses associated with various client groups. In life cycle costing, an effort is taken to determine the cost of a product, project, etc. over its expected life. It is a system that records and aggregates

the real expenses and profits related to a cost item from the time it is created until it is decommissioned. I believe that a combination of these strategic management accounting techniques could help a business to navigate in a BANI environment.

Corporate Governance and Risk Management

Finally, I would like to highlight the importance of corporate governance and risk management as related disciplines to accounting and finance that would help businesses in the BANI world. These areas themselves will be another keynote speech, and therefore, I would like to just mention these areas but will not elaborate on them. I need to emphasize that corporate governance mechanisms and risk management strategies will be immensely helpful to address the challenges holistically posed by a BANI environment. Redefining and clarifying the role of board and management, continuous environmental scanning, re-defining the risk appetite, emphasizing ethical conduct, usage of scenario planning, usage of predictive analytics, implementation of blockchain systems in governance, establishing robotic and Artificial Intelligence (AI) enabled internal controls are some of the key aspects that need to be looked at in addition to the traditional governance and risk management strategies. The boards should navigate from the traditional conformance role to the performance role, where strategy and policy making is more important to address challenges posed by the BANI world.

Way Forward

Having discussed how accounting and accountants could help in the challenges of a BANI world, now let us explore the way forward.

Accounting should also be updated to cater for a BANI environment

I highlighted in my speech how accounting and accountants could be useful for business entities in a BANI environment to survive and be successful. On the other hand, I also would like to highlight that the discipline of accounting also should be updated to cater to such environments too. Some of the traditional methods and tools would not work, which may be suitable for stable environments. Being a social science, accounting should be updated and cater better for the needs of its stakeholders. This is one key point I would like to emphasize.

Critical skills

Then, I also see that in addition to technical skills, accountants and others should have certain critical skills to provide their contributions to the business entities to survive in a BANI environment. Let me highlight them now:

- **Critical thinking:** with an abundance of information accessible from a variety of sources, individuals will benefit from the capacity to evaluate veracity within the data as well as disinformation, conduct logical inquiry and reasoning, and balance options.
- **Flexibility and agility:** this is the capacity to react to and adapt to changes in the environment quickly, which is a crucial talent during times of continual change.

- Curiosity: this is the skill to ask questions to elicit subtlety, inspire diverse points of view and discussion, spark creativity, and separate truth from opinion.
- Creativity: this is the ability to come up with new methods of doing something, tackling an issue, or bringing a new viewpoint to a problem.
- Cultural sensitivity and awareness: this is the skill for understanding, communicating, and interacting successfully with individuals from other cultures.
- Collaboration: this is the ability to engage and collaborate effectively with people in order to propel the firm forward jointly. Complex issues entail factors that cannot be grasped from a single discipline's viewpoint.

I strongly believe and emphasize that having these critical skills in addition to the other skills will be immensely helpful, particularly in a BANI environment, and we need to take initiatives as educators and educational institutions to promote and inculcate these skills.

These are some of my thoughts that how accounting and accountants could help businesses to navigate this situation with resilience and ultimately survive and be successful in this turbulent environment, particularly experienced in Sri Lanka and elsewhere. Accordingly, I sincerely wish that we all could face these challenges successfully in this BANI World and I am very thankful to you for organizing the highly contemporary conference and providing a perfect platform to deliberate and find solutions for the issues and challenges posed.

Thank you immensely again and I wish you all the best!

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Plenary Speech: Jamais Cascio



Greetings!

I'm James Cascio, futurist and writer in California. I've been doing foresight work for over 25 years and have given a lot of thought to the future implications of a variety of topics, from climate to politics to emerging technologies. But at this point, I'm probably best known for creating the BANI framework.

I came up with Benny in 2018 as a tool for my own use but showed it to a larger public in 2020.

The immediate response took me by surprise, and I must say, to have an academic symposium on BANI is a real honor. Thank you very much for this and for inviting me to participate. Now, given that the title of this symposium is “the Bani World” I'm going to go ahead and assume that most of you are at least familiar with the topic. I'm not going to focus on the meaning of the terms brittle, anxious, nonlinear, and incomprehensible. Instead, I'd like to talk about how BANI gets used and what BANI suggests about how to respond to chaos. But I'll start with why BANI has become so relevant for people around the world, and it most definitely has.

Over the past couple of years, I've spoken and written about BANI for audiences around the globe, for government groups, Universities, and businesses alike. But, beyond that, I've seen hundreds of articles written about BANI by other people in at least a dozen different languages. And over the past couple of years, the vast majority of attention given to Bani has come from the developing world. Now, that's not surprising.

I initially created BANI as a new way of seeing the combination of global crises in a world where the old VUCA model of volatility, uncertainty, complexity, and ambiguity had become insufficient as a way of understanding disruptions to the global systems. And while all of that is certainly true of the US. And other Western countries, it's an overwhelming reality for much of the less wealthy world. For the majority of people on the planet, chaos is a constant. The financial political crisis that has ripped Sri Lanka is just one example. There's also the political situation in Brazil, where the presidential elections may lead to a coup or even a civil war, or the accelerating impact of climate disaster from deadly heat to a third of Pakistan, a third of the country being underwater and systemic. Chaos is probably most visible in recent months in the Tsunami of consequences of the Russian invasion of Ukraine. BANI is a way of talking about these kinds of rapid, discontinuity changes that aren't just big or complex, but hit with such speed or disproportionate effect that we have a hard time understanding them even when we can see the crisis coming.

All too often, we don't grasp just how big and disruptive that crisis will be. When Dr. Manoj asked me to be a part of this event, he suggested that I take a look at the recent Sri Lanka crisis through the BANI lens. Now, I have to admit, my knowledge of the crisis had been headline level at best. But digging more deeply into Sri Lanka's recent history made it very clear to me that banning is indeed a useful way of examining the events and perhaps more importantly, what might be done to avoid a similar crisis in the future. So, in what ways have we seen BANI? Brittleness appears to be a recurring element of nearly all of the key issues, from debt

traps to agricultural policy. Systems that people had relied upon abruptly stopped working, whether for political reasons, changes to the global financial system, or the collapse of critical institutions.

Now, I'm going to go a bit out of order here. Nonlinearity is a good lens for seeing how international conditions such as the Russian invasion of Ukraine impacted Sri Lanka, as well as how tactical choices from an unsteady Sri Lankan leadership seemed to make the political crisis spiral. Complex problems would intersect, with the combined result being far more disruptive than anyone expected. Incomprehensibility blankets everything. Confusion, misinformation, and a glaring lack of transparency further weaken the brutal systems and accelerate nonlinear events. And as a result, anxiety is everywhere. Constant stress and danger, voices calling for revolt, the fear of economic collapse, or even starvation so much the last couple of years of Sri Lanka's history, is filled with relentless anxiety. So, what do we do? What does BANI tell us to do?

Going to disappoint you here. BANI is not a magic wand to reveal solutions. Arguably, most of the kinds of system bricks that BANI don't actually have solutions, at least not in the conventional sense. We can look for responses and better yet, adaptations, but there isn't a BANI approved checklist that can make things better. One undeniable truth is that the future keeps coming. How we respond to the crisis of the moment helps to shape how, even whether, we can respond to the next one on the horizon. So, let's break down the kinds of responses to BANI that, at least from my perspective, might make Sri Lanka less vulnerable to this kind of chaos in the years to come. And let's go in order this time. Brittle systems need resilience. Resilience is the capacity of a system or institution or person to withstand sudden shocks, to be flexible rather than brittle.

System resilience often means having more resources available than might typically be needed as a cushion for the unexpected. That might mean tangible goods, such as storing additional food supplies in case of periods of limited food availability, or can mean something less concrete, such as knowledge like emergency planning or practice at responding to large scale disasters. Either way, this underscores that a truly resilient system needs to be built up before a crisis hit.

To me, this means that one of the critical components of a resilient system is the willingness to engage in foresight work, such as scenario planning. Ask yourselves, how could Sri Lanka prepare for another crisis of this scale? Anxiety inducing systems need empathy. Empathy in this context means the capacity to recognize and acknowledge the negative human effects of a broken or chaotic system. In its simplest form, it's a willingness to be kind and forgiving to others and to oneself. Many of our communication tools seem designed specifically to increase anxiety, as well as fear, anger, and mistrust.

Engagement with a TikTok video or a Facebook post is said to increase when it upsets people, prompting the digital networks to push even more of that kind of material. Empathy, from a BANI perspective, can come down to seeing the algorithmic manipulation for what it is and being able to appreciate that chaos driven stress affects all of us. Again, from a BANI perspective, ask yourselves, in what way might anger and mistrust block pathways to resolving the crisis? Nonlinear systems need improvisation. By improvisation, I mean the ability to adapt quickly to unexpected changes and developments.

Improvisation requires that people not be restricted to just a predetermined set of choices. It may well be true that under normal conditions, those predetermined choices are the best. What we need to see is that when conditions are no longer normal, continuing to do what you've been doing, or worse, being forced to continue, it can lead to negative, even disastrous outcomes. So ask where are people and institutions in Sri Lanka still following old scripts and behavioral rules that are no longer relevant to a chaotic environment? Finally, incomprehensible systems need intuition. Intuition is a willingness to listen to our brain's ability to recognize when something doesn't feel right, even when all the surface indications are okay. In the US. We sometimes refer to this as a gut feeling. And I suspect that there are terms of this all over the world. Our brains are remarkable machines of pattern recognition.

Our subconscious minds can reach conclusions based on piecing together evidence that's there that we don't consciously notice. So, ask over the past few years, what signs of an imminent crisis were missed because they weren't obvious, or it didn't make immediate sense. More importantly, what are you missing now? Intuition matters more than you might think. A week or so ago, we passed the 39th anniversary of arguably the most important example of intuition in modern human history.

In late September 1983, a Soviet air defense officer named Stanislav Petrov received an alert from early warning system showing the launch of five US. Nuclear missiles. If he followed protocol, Petro should have sent a message of the chain of command, one that would have very likely resulted in the automatic launch of Soviet missiles, which in turn would have led to the US. Launching its own missiles and ultimately, the deaths of nearly everyone on Earth. But even though relations between Washington and Moscow were at their lowest point in decades, the situation simply didn't feel right to Petrov. He decided not to forward the alert, which ultimately turned out to be a system error. For his good sense and judgment, Petrov was demoted, reprimanded, and encouraged to take an early retirement. He died a few years ago, living on a pension in a small town in Russia. But that's not the lesson we take from this story. The lesson here is that, especially in a BANI world, intuition matters, and only human brains can do it. It's the product of millions of years of biological evolution. In fact, all of the many responses I just talked about intuition and empathy, improvisation and resilience are very hard to measure. Impossible, at least for now, to turn into algorithms. And very human. They are the ways that human beings have long adapted to periods of chaos. And our current period of chaos is by no means over. I created BANI in 2018 as a way of getting a grip on the increasing levels of chaos I could see all over the world. Little did I know that what I considered chaotic at the time would pale in comparison to what was to come? 2018 was before COVID, before the invasion of Ukraine, before the spread of deep fake AI, before the attempted insurrection in the United States, before record breaking global heat waves and storms and wildfires, makes me wonder what might the next four years have in store.

Thank you.

Dr. Jamais Cascio

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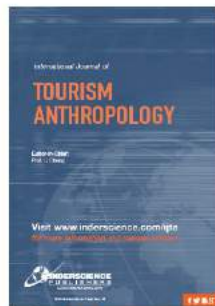
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AN EMPIRICAL STUDY OF CORPORATE SOCIAL RESPONSIBILITY AND CORPORATE FINANCIAL PERFORMANCE

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INTRODUCTION

In the last decade, the trend of participating in Corporate Social Responsibility (CSR) initiatives has exploded, a vital aspect of today's corporate world. The concept of CSR has been debated for more than decades (Tilt, 2016). Primarily, business entities are concerned with profit-maximizing and their obligations towards shareholders and creditors. The business entities' goals are now to be broadened, and they must meet the demands of all stakeholders while conducting commercial operations, considering the social and environmental implications. Herein, the global upswing of interest in triple-bottom-line (Profit, Planet, and People) implications prompted the creation of the CSR framework.

CSR refers to how a company conducts itself to be economically viable, law-abiding, ethical, and socially beneficial (Carroll, 1983). Porter and Kramer (2006) asserted that CSR involves obtaining business triumph through acts that embrace ethical values and respect people, communities, and the natural environment. According to Carroll (1991), CSR encompasses four social commitments: economic, legal, ethical, and philanthropic responsibilities. Thus, CSR is a commonly acknowledged method for a corporation to achieve a balance or integration of economic, environmental, and social concerns while also meeting stakeholder expectations (Hewage et al., 2016)

Both society and business are interdependent, whereas job opportunities, goods and services, and taxes are provided by the business, while the society provides the employees, consumers, and policies. Because neither can thrive without the other, it makes more sense for businesses and society to collaborate for the common good rather than remain in conflict. For this to happen, business decisions and social policies must be in sync (Porter & Kramer, 2006). Herein, companies execute CSR differently depending on the firm size, industrialization-infused corporate culture, and stakeholder demands (Niresh & Silva, 2018). In the context of Sri Lanka, CSR is still regarded as philanthropic and charitable actions solely as CSR, and some companies view CSR as an investment. In contrast, others regard it as a waste of money (Hewage et al., 2016).

CSR is a primarily unregulated and voluntary endeavour focusing on the economic, environmental, and social implications of organizations' daily activities and the links between firm ideals and philanthropic engagement (Hollerer, 2012). As a result, it is puzzling why a company would want to report on its CSR efforts. Furthermore, the study difficulty has been aggravated by the intangibility and long-term nature of the advantages, as well as the problems in quantifying how the benefits outweigh the cost of such voluntary effort (Gallardo-Vazquez

et al., 2019; Aslaksen et al., 2021). As a result, to better understand the issue mentioned above, the study investigates the link between CSR and corporate performance.

LITERATURE REVIEW

CSR is primarily a notion whereby firms opt freely to contribute to a better society and cleaner environment. Firms accomplish this predominantly voluntarily by incorporating social and environmental concerns into their business operations and interactions with their stakeholders (Commission of the European Communities, 2001). Furthermore, CSR meets not only legal requirements but also advances human capital, the environment, and stakeholder satisfaction (Commission of the European Communities, 2001). Carroll (1991) proposed a pyramid of CSR that "encompasses the economic, legal, ethical, and discretionary expectations that society has of organizations at a given point in time" (Carroll, 1979, p. 500). Economic responsibility is the most fundamental, which underpins all other corporate obligations and requires enterprises to maintain economic stability. Then there is legal accountability, where corporations are required to follow regulations. Ethical duty refers to the rules, norms, or expectations in place to preserve stakeholders' moral rights. Philanthropy responsibility refers to firms' voluntary efforts in light of society's expectations as good corporate citizens (Baden, 2016).

Because of the qualitative nature of corporate responsibility and the difficulty of quantifying it properly, measuring it is difficult. CSR completeness has been measured in a variety of ways, including investment in CSR initiatives, donations to education, health, and welfare, environmental commitment, environmental, social, and governance ratings, employee participation in CSR projects, and the implementation of transparency rules (Bagh et al., 2017; Usman & Amran, 2015). Accordingly, the multidisciplinary nature of the approach and diverse behaviours displayed in measuring cooperate responsibility performance will provide a much clearer understanding of the multidimensional viewpoint.

This study subscribes to a multitudinal stakeholder approach, which underpins that CSR covers all activities of a firm that contribute to the wellbeing of society by supporting and safeguarding the interests of its many stakeholders who impact it (Parmar et al., 2010). As a result, the study looks at CSR to employees (salaries), CSR to shareholders (dividend per share), CSR to investors (Interest Coverage Ratio), CSR to customers (Cost Ratio), CSR to the government (Tax Expenses), and CSR to suppliers/ creditors (Assets/ Liability Ratio) as proxies for CSR environment (Iqbal et al., 2012; Tyagi et al., 2013; Khurshid et al., 2018).

On the other hand, financial performance is the financial results of the interplay between an organization's traits, activities, and environment (Combs et al., 2005). The extant studies that have focused on the relationship between CSR and performance revealed a favorable solid relationship between the two variables (Bagh et al., 2017; Weber, 2008; Saeidi et al., 2015); a negative relationship (Mentor, 2016; Usman & Amran, 2015); no relationship exists (Lee et al., 2013; Tyagi et al., 2013).

In essence, the literature depicts variant results between CSR and financial performance. Therefore, it is critical to comprehend the true financial impact of CSR initiatives and regulations.

METHODOLOGY

The study is dedicated to the following quantitative secondary data analysis research design. Accordingly, after employing a judgmental sampling technique, the study chose ten companies from the Food, Beverage, and Tobacco Sector listed on the Colombo Stock Exchange (CSE), considering their market capitalization as of 31st March 2021 from a total of 47 companies. The study follows longitudinal analysis by collecting data for five years, from 2017 to 2021. Variables were measured by collecting secondary data from the annual reports filed with the CSE.

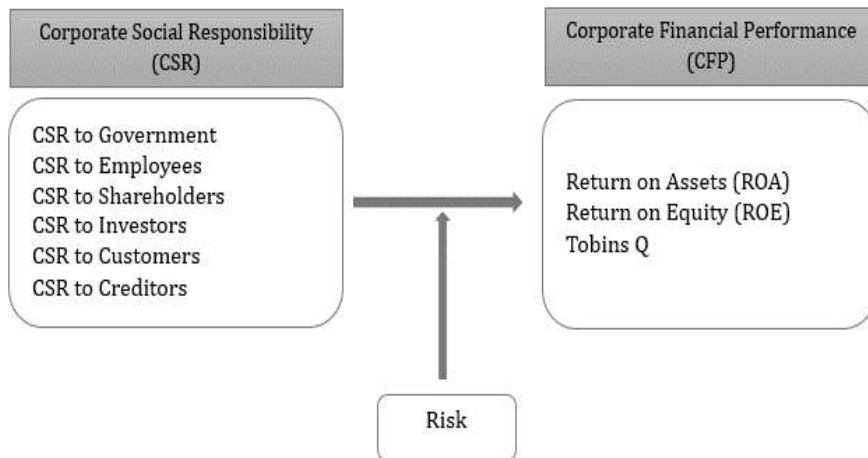


Figure 1 Conceptual Framework

The study model is presented in Figure 1, and the independent variable is determined as follows; Tax expenses serve as a proxy for CSR to the government (CSRG), which is then quantified by the income tax's share of operating income; Salaries serve as a proxy for CSR to Employees (CSRE), which is measured as the percentage of operating income that is distributed to staff in the form of wages and benefits; CSR to Investors (CSRI) is indicated by Interest Coverage ratio (ICR) and calculated by dividing the earnings before taxes expense and interest expense by the interest expense incurred by the company for the one year; CSR to Customers (CSRC) is indicated by Cost Rate (CR) and assessed by dividing the company's operational costs by the shareholder's equity or common stock. CSR to Creditors is calculated by dividing the company's total assets by its liabilities. The pooled most minor square regression analysis as the predictive modeling technique was used to investigate the relationship between the variables. The study used E-Views data analysis software to perform panel data regression to determine the causal link between the variables. Panel data analysis is a statistical method for analyzing two-dimensional data such as cross-sectional and time-series data frequently used in social science, epidemiology, and econometrics. The analysis is categorized as pooled panels, random effect models, and fixed-effect models. The study emphasized the econometric applicability of the fixed-effect and random-effect models. Then, performing the Hausman test, the study determined which model was appropriate for this analysis (Medyawati & Yunanto, 2017). To execute the regression analysis, the model must meet the basic requirements of regression analysis to be satisfied.

DATA ANALYSIS

The following data processing stage included the classical assumption test as a prerequisite for using panel data regression. Based on the normality tests, it was possible to determine that the data met the normalcy assumption. The multicollinearity test came next. All variables had Variance Inflation Factor (VIF) greater than 0.10 and less than 10, avoiding concerns with multicollinearity issues in the regression model. The presence of heteroscedasticity is a serious concern in regression analysis and analysis of variance because it nullifies statistical tests of significance that presume all modeling mistakes have the same variance. The presence of heteroscedasticity was suspected if there were patterns on a scatterplot. Because there was no discernible pattern, points on the Y-axis were scattered above and below zero, and the analysis proved that there was no heteroscedasticity. The autocorrelation value for Durbin Watson (DW) was 1.437. The DW value should be between -2 and +2, indicating that there is no autocorrelation for satisfactory results.

Table 1 Diagnostic Test- Hausman Test

	ROA	ROE	Tobin's Q
Probability	0.0000**	0.1750**	0.0000**
Model	Fixed Effect Model	Random Effect Model	Fixed Effect Model

The Hausman test determines which model is appropriate for the investigation. The following hypotheses were addressed in this test: H_0 : Random effect model is appropriate for the analysis, and H_1 : Fixed effect model. Accordingly, if the P-value is less than 0.05, the fixed-effect model is appropriate, and if P-value is more significant than 0.05, the random effect model is appropriate.

Table 2 Fixed and Random Effect Model

Variable	Fixed Effect Model: ROA				Random Effect Model: ROE				Fixed Effect Model: Tobin's Q			
	Coefficient	Std. Error	t-Statistic	Prob	Coefficient t	Std. Error	t-Statistic	Prob	Coefficient	Std. Error	t-Statistic	Prob
C	1.8441	0.5140	3.6492	0.0009	-0.1199	0.1634	-0.8369	0.4019	1.9441	0.6140	3.7492	0.0029
TAX	1.6170	0.7045	2.3239	0.0270	0.0342	0.1697	0.1614	0.8804	1.7170	0.8045	2.4239	0.0390
SAL	-0.0278	0.0404	-1.2315	0.2232	-0.0088	0.0186	-2.1710	0.0348	0.0722	0.1404	-1.1315	0.2252
DPS	-0.0782	0.0353	-3.4788	0.0014	0.0198	0.0161	1.6249	0.1138	0.0218	0.1353	-3.3788	0.0034
ICR	0.0100	0.0100	-3.9383	0.0004	0.0100	0.0100	3.7305	0.0006	0.1100	0.1100	-3.8383	0.0024
CR	0.3978	0.4060	0.9893	0.3346	0.0967	0.1305	0.7300	0.4755	0.4978	0.5060	1.0893	0.3366
ALR	-0.2912	0.1328	-2.4429	0.0196	0.0640	0.0428	1.6570	0.1070	-0.1912	0.2328	-2.3429	0.0216
DER	-0.8236	0.3138	-2.7160	0.0102	0.1584	0.1037	1.5936	0.1208	-0.7236	0.4158	-2.6160	0.0122

According to the Panel regression analysis corporate social responsibilities (CSR) and ROA presented a significant positive relationship ($R^2 = 0.885$, $f = 0.000$); Also corporate social responsibilities (CSR) and ROE presented a positive relationship ($R^2 = 0.623$, $f = 0.000$); then, corporate social responsibilities (CSR) and Tobin's Q presented positive relationship ($R^2 = 0.713$, $f = 0.000$). Furthermore, the relationships were measured by conspiring the impact of the controlling variable (risk).

CONCLUSIONS AND IMPLICATIONS

The study considered CSR for a broad range of stakeholders as following CSR to employees (salaries), CSR to shareholders (dividend per share), CSR to investors (Interest Coverage Ratio), CSR to customers (Cost Ratio), CSR to the government (Tax Expenses), and CSR to suppliers/ creditors (Assets/ Liability Ratio) under a risk centered environment (Khurshid et al., 2017; Iqbal et al., 2014; Tyagi & Sharma, 2013). After that, a relational model between CSR and financial indicators is constructed to solve the long-standing puzzle of why corporations report on CSR due to its long-term nature and the intangibility of the benefits connected with such an effort. The study ascertained the positive relationship between CSR, ROA, ROE, and Tobin's Q. Therefore; the study findings are aligned with the studies of (Bagh et al., 2017; Weber, 2008; Saeidi et al., 2015). According to the findings of this study, firms can utilize CSR with stakeholders to improve manufacturing organizations' financial performance. More robust CSR policies foster a healthier environment, eliminating externalities and damaging stakeholders' interests/benefits. This study's findings significantly contribute to the body of knowledge and have important implications for policymakers and industrial sector governance.

Keywords: Corporate social responsibility, financial performance, stakeholder perspective

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CORPORATE GOVERNANCE AND THE INSOLVENCY RISK: A STUDY OF LICENSED FINANCE COMPANIES IN SRI LANKA

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INTRODUCTION

Every business manager in an agency relationship is faced with balancing riskier policies and adopting less risky ones to increase the shareholders' wealth while safeguarding their self-interest and human capital invested in the company. Then, it may create agency problems within organizations. According to Ali et al. (2021) fundamental role of corporate governance (CG) is to overcome the agency problems between managers and shareholders by aligning their interests. The 2008 global financial crisis affected international credit and asset markets. It has exposed some control and risk management flaws, primarily in the financial sector. Ali et al. (2021) stated that the issue of risk-taking as an agency problem is more pronounced in the financial industry. A company may face several potential financial risks. One of these is the risk of insolvency, commonly known as bankruptcy. Failing to pay debts is called insolvency (Aguilar & Maciel, 2019). Insolvency risk-taking (IR) is an agency issue in a country's financial sector. Financial institutions in a country play a vital role in ensuring financial stability in the financial system.

This study is essential to the current context of the financial industry and economy in Sri Lanka because it investigates the impact of CG on the IR of Licensed Finance Companies (LFCs) in Sri Lanka. Indeed, the study primarily contributes to the literature on agency theory. Further, this study contributes to the scientific research and practices of the Sri Lankan financial sector because there is a dearth of studies in the literature concerning CG and the IR of the LFCs in Sri Lanka. Over recent years, the Sri Lankan LFC sector has deteriorated due to uncertainties in the country.

According to the Central Bank of Sri Lanka (CBSL) (2020), during the period from January to August 2020, the LFCs sector has become vulnerable due to a decrease in asset base, credit, and deposits, as well as an increase in nonperforming loans (NPLs) and declining profitability and the sector's capital and liquidity levels remained above the minimum regulatory requirements. However, a few individual LFCs did not meet the minimum capital requirements. Moreover, the return on assets (ROA) ratio and return on equity (ROE) ratio of the LFCs have declined continuously over the last few years. It was identified that the NPL ratio is a determinant of IR, and asset deterioration is one of the significant reasons for insolvency risk. Concerning these contexts, the solvency of the companies belonging to the LFC sector is questionable. In addition to the deteriorated performance of the LFCs in Sri Lanka, the CG of this sector shows a lack of good governance.

It has been repeatedly observed that a reason for the failure of LFCs is the lack of good governance, where ownership and decision-making are concentrated with the main shareholder or a few shareholders linked to the main shareholder (CBSL, 2020). These contexts raise a researchable problem in studying the impact of CG on the IR of LFCs in Sri Lanka. According to the Sri Lankan context, using a sample of 13 listed banks on the Colombo Stock Exchange (CSE), Sameera and Wijesena (2018) studied the impact of CG on credit risk. They found that board size and independence significantly and negatively impact credit risk. Moreover, Sameera and Wijesena (2020) examined the impact of CG on corporate risk using a sample of 64 listed companies on the CSE. The findings suggest that board independence significantly and negatively impacts corporate risk. Farwis et al. (2020) recently examined the relationship between CG and firm risk of CSE-listed companies. When reviewing past studies in Sri Lanka, there is a dearth of prior studies about the impact of CG on the IR of LFCs in Sri Lanka. Accordingly, this study aims to identify the impact of CG on the IR of the LFCs listed in Sri Lanka.

METHODOLOGY

LFCs listed in the CSE in Sri Lanka were selected as the target population of this study. The 29 LFCs listed in the CSE have been selected as the sample of this study for five years, starting in 2016 and ending in 2020. The final sample consists of 125 firm-year observations. The study comprises six variables: board independence (BI), women on the board (WIB), audit committee independence (ACI), board meetings (BMs), and audit committee meetings (ACMs) as independent variables, and insolvency risk-taking (IR) as a dependent variable. The study conceptualized its dependent and independent variables according to the empirical evidence. Nodeh et al. (2018) provide evidence of a negative and statistically significant association between BI and IR. Wilson and Altanlar (2012) and Maier and Yurtoglu (2022) found that WIB has a significant and negative impact on IR. Appiah and Amon (2017) reveal that ACI negatively impacts IR. Elamer et al. (2018) and Ayadi et al. (2019) explored a negative and significant relationship between BMs and IR. Moreover, Appiah and Amon (2017) and Al Haddad and Juhmani (2020) demonstrate that ACMs significantly and negatively impact IR. The conceptual framework for the current study is shown in Figure 1.

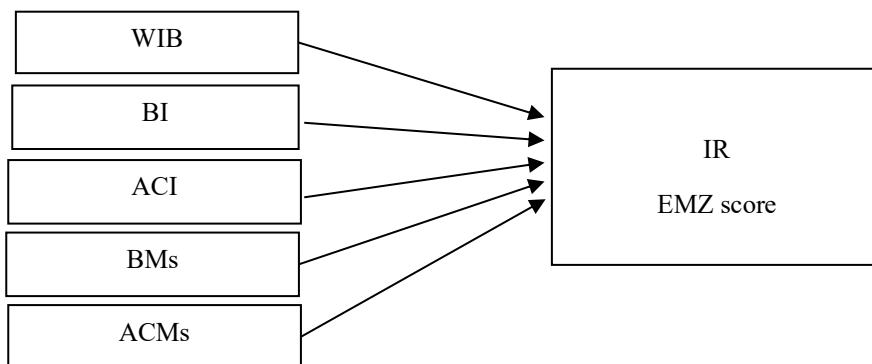


Figure 1 Conceptual Framework

The researchers' attention was drawn to the following hypotheses.

H₁: BI has an impact on firms' insolvency risk.

H₂: WIB have an impact on a firm's insolvency risk.

H₃: ACI has an impact on a firm's insolvency risk.

H₄: BMs have an impact on a firm's insolvency risk.

H₅: ACMs have an impact on a firm's insolvency risk.

According to Hussain et al. (2020) the EMZ score is the appropriate model to define IR in underdeveloped countries. The operationalization of the study is constructed in the following manner.

Table 1 Operationalization

Variable	Operationalization
Dependent Variable	
IR	$Z = 3.25 + 6.56X_1 + 3.26X_2 + 6.72X_3 + 1.05X_4$
	$X_1 = \text{Working Capital/Total Assets}$
	$X_2 = \text{Retained Earnings/Total Assets}$
	$X_3 = \text{Operating Income/Total assets}$
	$X_4 = \text{Book value of equity/ Total liabilities}$
	$Z < 1.21 = \text{High IR (Distress Zone)} = 2$
	$1.21 < Z < 2.90 = \text{Moderate IR (Grey Zone)} = 1$
	$Z > 2.90 = \text{Low IR (Safe Zone)} = 0$
Independent Variable	
BI	Independent Directors / Total directors
WIB	Female Directors / Total directors
ACI	Independent directors in Audit Committee / Total Directors in Audit Committee
BMs	Board of Director meetings per year
ACMs	Audit Committee meetings per year

$$IR = \alpha + \beta_1 (BI_{i,t}) + \beta_2 (WIB_{i,t}) + \beta_3 (ACI_{i,t}) + \beta_4 (BM_{i,t}) + \beta_5 (ACM_{i,t}) + \varepsilon_i \dots (1)$$

The researchers used descriptive statistics, correlation analysis, and panel regression analysis to test the hypotheses. Multinomial logistic regression analysis was employed as secondary data analysis. The regression model of the study is formulated as follows.

RESULTS AND DISCUSSION

To interpret the empirical results and findings of the study, the researchers tested the descriptive statistics. The results are demonstrated in Table 2.

Table 2 Descriptive Statistics

Variables	Min	Max	Mean	Std. Deviation
IR	0.04	2.37	1.41	0.54
BI	0.11	0.71	0.40	0.13
WIB	0.00	0.60	0.18	0.14
ACI	0.33	1.00	0.70	0.18
BMs	6.00	18.00	12.43	1.74
ACMs	1.00	13.00	6.64	2.88

According to the mean value of IR, the sample LFCs have a moderate probability of IR. There is no vast difference between the minimum, maximum, and mean of BI, reflecting that the BI of the LFCs is stable. There is no vast difference between ACI's minimum, maximum, and mean. The mean value of BMs indicates that the sample LFCs comply with the CG requirements. There is a high spread between the ACMs of the LFCs in the study. Pearson's correlation analysis was employed to examine the correlation between the variables, as illustrated in Table 3.

Table 3 Pearson Correlation Analysis

	IR	BI	WIB	ACI	BMs	ACMs
IR	1.000					
BI	-0.129	1.000				
WIB	-0.247**	0.210*	1.000			
ACI	-0.255**	0.378**	0.378**	1.000		
BMs	-0.127	0.471**	-0.101	0.176*	1.000	
ACMs	0.079	-0.096	0.178*	0.210*	0.004	1.000

Note: $N=125$, **, * Correlation is significant at the 0.01 level and at the 0.05 level (2-tailed) respectively.

WIB and ACI correlate negatively and significantly with IR. BI and BMs correlate negatively but insignificantly with the IR. The ACMs indicate an insignificant positive correlation of 0.079 with the IR. Since the p-value of the Hausman test is more significant than 0.05 ($\text{Prob} > \chi^2 = 0.9930$), the study's results were discussed through the random-effects model. Results are demonstrated in Table 3.

Table 3 presents the results of the panel regression analysis. Since the *p-value* of the analysis results is greater than 0.05, BI does not exert a significant impact on the IR. Therefore, H_1 was not empirically proven, and H_1 was not supported. Complying with the empirical findings of Wilson and Altanlar (2012) and Maier and Yurtoglu (2022), WIB exerts a negative and significant impact on IR. Concerning the empirical results and findings, H_2 was supported.

Table 4 Random-Effects Model

IR	Coef.	Std.Err.	Z	p> z	[95% Conf. Interval]	
BI	0.527	0.446	1.18	0.237	-0.348	1.402
WIB	-1.300	0.424	-3.07	0.002	-2.131	-0.469
ACI	-0.531	0.304	-1.74	0.081	-1.127	0.065
BMs	-0.064	0.029	-2.19	0.029	-0.121	-0.007
ACMs	0.027	0.018	1.45	0.146	-0.009	0.063
_Cons	2.430	0.417	5.82	0.000		
Prob > chi2	=	0.0008				
R – sq	=	0.1583				

n=125

There is no significant impact of ACI on the IR. Considering the insignificant impact of ACI on the IR, H₃ was not supported. BMs exert a significant and negative impact on the IR. These results are consistent with Ayadi et al. (2019). Based on that, H₄ was supported. ACMs do not exert a significant impact on the IR. Based on that, H₅ was not supported. Multinomial logistic regression analysis was employed to elaborate on the CG variables' significant impact on the IR categories, as illustrated in Table 5.

Table 5 Multinomial Logistic Regression Analysis

IR		Coef.	Std.Err.	Z	P> z	[95% Conf. Interval]	
0	BI	4.280	2.710	1.58	0.114	-1.031	9.591
	WIB	-7.236	1.987	-3.64	0.000	-11.131	-3.341
	ACI	4.058	1.678	2.42	0.056	0.770	7.346
	BMs	-0.031	0.172	-0.18	0.858	-0.369	0.307
	ACMs	-0.002	0.083	-0.03	0.973	-0.165	0.159
	_Cons	-1.828	1.910	-0.96	0.338	-5.571	1.915
1	(base outcome)						
2	BI	-5.890	3.276	-1.80	0.072	-12.310	0.530
	WIB	2.099	2.696	0.78	0.436	-3.185	7.382
	ACI	-1.640	2.017	-0.81	0.416	-5.593	2.312
	BMs	0.220	0.171	1.29	0.198	-0.114	0.554
	ACMs	-0.372	0.148	-2.50	0.012	-0.663	-0.080
	_Cons	0.970	2.090	0.46	0.642	-3.125	5.067

Note: *N*=125, 0 – Low Insolvency Risk, 1 – Moderate Insolvency Risk, 2 – High Insolvency Risk

Since the researcher assigned moderate IR as the baseline category, no coefficients or tests were provided for this level. According to the low IR category results, WIB exerts a negative and significant impact on the low IR, consistent with Maier and Yurtoglu (2022). The remaining CG variables do not significantly impact the low IR. According to the high IR

category results, ACMs show a significant and negative impact on high IR, consistent with the empirical studies of Al Haddad and Juhmani (2020) and Appiah and Amon (2017). The remaining CG variables do not significantly impact the high IR.

CONCLUSIONS AND IMPLICATIONS

This study aimed to examine the impact of CG on insolvency risk. The researcher used secondary data to gather data from 25 LFCs listed in CSE from 2016 to 2020. To achieve the objective of this study, the researcher employed descriptive statistics, correlation analysis, panel regression analysis, and multinomial logistic regression analysis. According to the correlation analysis results, WIB and ACI negatively correlate with the IR at significant levels. BI and BMs negatively correlate with the IR, but it is insignificant. According to the panel regression analysis, WIB and BMs have a significant and negative impact on the IR, reflecting that an increase in BMs and WIB can reduce the IR. The other remaining CG variables do not significantly impact the IR. Concerning the multinomial logistic regression analysis, the researcher found that WIB has a significant and negative impact on the low probability of IR. Moreover, ACMs significantly and negatively impact the high probability of IR. Other CG variables do not significantly impact the probabilities of IR. The findings of this study inspire senior executives and practitioners in LFCs in Sri Lanka to increase the appointment of women to the board to reduce insolvency risk and increase the frequency of board meetings and audit committee meetings to enhance the monitoring of risk-taking and ensure the financial stability of the companies. To ensure the financial stability of the LFCs in Sri Lanka, mitigate the weaknesses of the CG, and overcome the deteriorated performance of the LFCs in Sri Lanka, practitioners, regulatory bodies, policymakers, and decision-making bodies of the LFCs can pay closer attention to the relevant areas using the findings of this study. Moreover, this study's findings help investors make investment decisions while investing in the stock market and corporate debt market. The study's findings suggest various policy changes that can be incorporated into strategic and regulatory frameworks. The sample of this study was biased toward LFCs listed in Sri Lanka. The sample excludes all other companies listed in CSE in Sri Lanka and other LFCs not listed in CSE. The study's small sample size also inherited the findings' reliability. Future research works should align with the large sample sizes and non-financial companies in Sri Lanka. Further, comparative studies of financial and non-financial companies should be carried out. Moreover, using primary data, future studies should be conducted to find the impact of CG on the insolvency risk of small and medium enterprises (SMEs).

Keywords: Corporate governance, insolvency risk, licensed finance companies

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**DOES OWNERSHIP STRUCTURE MODERATE THE RELATIONSHIP
BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND FIRM FINANCIAL
PERFORMANCE OF NON-FINANCIAL LISTED FIRMS IN SRI LANKA?**

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INTRODUCTION

According to the Global Reporting Initiative (GRI) guidelines, CSR is "the way through which a company achieves a balance of economic, environmental and social imperatives at the same time addressing the expectation of shareholders" (Kengatharan et al., 2020). However, practicing CSR is not the primary goal of a firm to satisfy all parties, but it aims to create economic and social value for the organization. There is a growing tendency for institutions to shift from engaging in traditional business activities to fulfilling their social responsibility. A business entity has always been a profit entity, but it is changing a lot today. Businesses tend to be more CSR and successful in their business ventures. CSR is an integral part of the business to address social, and it has a significant direct and indirect impact on the trend of the business market. From a business point of view, it is an investment in business promotion. In the present business world, each company must have a good relationship with every party for the company's sustainable growth. Then CSR is the best way to achieve this aim. In previous studies, considering developed and developing countries can see the different impacts of CSR practices. Sri Lanka is a developing country category (Kengatharan et al., 2020). Considering CSR and firm financial performance can identify that the two affect each other. However, practicing CSR means companies have to expend money on CSR activities. On the other hand, expending money on CSR activities can be considered investments in business promotion. As well as CSR activities help to create a good relationship with all stakeholders, and it gives indirect benefits to financial performance. Then this study was conducted to investigate the relationship between CSR and Firm Financial performance. Many previous studies have been done on this topic in the international context, resulting in mixed findings. Some studies found a positive relationship between CSR and financial performance (Cho et al., 2019; Hafez, 2016; Jallo & Mus, 2017). Some found a negative relationship (Babalola, 2012; Chetty et al., 2015; Mansaray et al., 2017). As well as a lack of studies done with moderate variables. Then this research touched on CSR firm financial performance with moderating variables. Here Ownership structure gets as a moderator variable. The ownership structure has the power to monitor CSR activities. It has a positive relationship between CSR and financial performance, ownership structure pressure to do CSR activities, and a negative relationship between CSR and financial performance and ownership structure pressure to avoid CSR activities. Thus, this study's main objective is to examine the moderation effect of ownership structure on the relationship between corporate social responsibility and firm financial performance of non-financial listed firms in Sri Lanka.

METHODOLOGY

This study used a quantitative method and then used secondary data. The study's independent variable is CSR (measured through an index with 26 items). The dependent variable is financial performance, and it is measured through ROA. The relationship between CSR and financial performance is moderated by the ownership structure, which is proxied by institutional ownership (as measured by a ratio of institutional ownership to the total number of shares) and managerial ownership (as measured by the ratio of managerial ownership to the total number of shares). Leverage and firm size are introduced as the control variables. The study sample is the non-financial firms listed on CSE from 2018 to 2021, which includes 159 firms and 636 firm-year observations. The required data was collected from annual reports. This study used panel data to analyze the three research models shown below. The researchers used descriptive statistics, correlation analysis, and regression analysis as analytical tools for the study.

$$CSR_{it} = \beta_0 + \beta_1 ROA_{it} + \beta_2 IO_{it} + \beta_3 SIZ_{it} + \beta_4 LEV_{it} + \beta_5 Year_i + \beta_6 Industry_i + \epsilon \dots (1)$$

$$CSR_{it} = \beta_0 + \beta_1 ROA_{it} + \beta_2 MO_{it} + \beta_3 SIZ_{it} + \beta_4 LEV_{it} + \beta_5 Year_i + \beta_6 Industry_i + \epsilon \dots (2)$$

Where,

CSR_{it} : Corporate Social Responsibility of the firm i for year t

ROA_{it} : Return on Assets for firm i in year t

SIZ_{it} : Firm Size i at the end of year t

LEV_{it} : Leverage of firm i for the year t

IO_{it} : Institution Ownership for firm i in year t

MO_{it} : Managerial Ownership for firm i in year t

RESULTS AND DISCUSSION

Before doing the analysis, researchers did data screening and cleaning. Under that identified, the normality of the data. The researcher checked the normality of the collected data from the annual report. After checking, outlier data was identified and removed from the analysis data sheet. Moreover, incomplete data were removed from the analysis data sheet and tested the multicollinearity of the variable. Under descriptive analysis, measures mean, minimum, maximum, standard deviation, skewness, and kurtosis of the variables. Table 01 shows the result of the descriptive statistic of the study.

CSR_{it} is the independent variable of the study. According to the table, the mean value is 0.478 and 0.252 is the standard deviation value of the variable. ROA_{it} is the dependent variable of the study. ROA_{it} has a 0.047 mean value and 0.074 standard deviation value. IO_{it} and MO_{it} are the moderate variables of the study. IO_{it} mean value is 53.599 and 20.882 is the standard deviation of the variable. MO_{it} the mean value is 3.827 and the standard deviation value is 3.121. LEV_{it} and SIZ_{it} are control variables of the study. LEV_{it} has 0.265 mean value and 0.222 standard deviation value. SIZ_{it} has 22.115 mean value and 1.313 standard deviation value.

Table 1 Descriptive Statistic

Variable	Mean	Minimum	Maximum	SD	Skewness	Kurtosis
CSR_{it}	0.478	0.000	0.960	0.252	0.075	-0.825
ROA_{it}	0.047	-0.190	0.290	0.074	0.385	1.362
IO_{it}	53.599	0.000	93.450	20.882	-0.410	-0.930
MO_{it}	3.827	0.000	12.150	3.121	0.206	-1.169
LEV_{it}	0.265	0.000	0.990	0.222	0.973	0.404
SIZ_{it}	22.115	18.600	25.420	1.313	-0.178	-0.223

Correlation Analysis also used to analyze and follow Table 2 shows the results of correlation analysis. This analysis reflected the relationship between each variable.

Table 2 Correlation Analysis

Variable	CSR_{it}	ROA_{it}	IO_{it}	MO_{it}	LEV_{it}	SIZ_{it}
CSR_{it}	1					
ROA_{it}	-0.042	1				
IO_{it}	0.247**	-0.100*	1			
MO_{it}	0.077	0.059	-0.134**	1		
LEV_{it}	0.060	-0.147	0.002	-0.013	1	
SIZ_{it}	0.300**	0.051	0.205**	-0.002	0.193**	1

* $p < 0.05$; ** $p < 0.01$

CSR_{it} and ROA_{it} have not significant relationship (-0.042). CSR_{it} and IO_{it} have positive relationship as well as significant (0.247**) and CSR_{it} and MO_{it} have not significant relationship (0.077). CSR_{it} and LEV_{it} have a positive relationship and CSR_{it} and LEV_{it} are not significant (0.060). CSR_{it} and SIZ_{it} have a positive relationship and this variables are significant (0.300**). Regression analysis was performed to test the hypothesis and it is shown in Table 3 below.

Table 3 Regression Analysis of Model I and II

	Model I		Model II	
	Coefficient	Std. Error	Coefficient	Std. Error
CSR_{it}	-0.034	0.054	-0.019	0.029
$CSR_{it}-IO_{it}$	-0.000	0.001	-	-
$CSR_{it}-MO_{it}$	-	-	0.007	0.005
LEV_{it}	-0.060***	0.017	-0.062***	0.017
SIZ_{it}	0.004	0.003	0.004	0.003
$Industry_i$	Included	Included	Included	Included
$Year_i$	Included	Included	Included	Included
Constant	-0.018		-0.050	
R-Squared	0.142		0.144	
F	48.65***		49.40***	
N	159		159	
Hausman Test	3.53		1.64	

*** $p < 0.01$; ** $p < 0.05$; * $p < 0.1$

Above Table 3 shows the model I results, according to which CSR and ROA are not significant and CSR-IO and ROA are not significant. IO does not moderate the relationship between CSR and Firm Financial Performance.

Further, the same Table 3 also shows model II results. Accordingly, CSR and ROA are insignificant, and CSR-MO and ROA are not significant. MO does not moderate the relationship between CSR and Firm Financial Performance.

According to the result, CSR and Financial Performance are not significant. Mosaid and Boutti (2012) found similar findings in this study. However, Salehi et al. (2018) disagree with the above findings, and the results suggest a significant relationship between CSR and Firm Financial performance. ROA and CSR-IO are not significant. Then IO does not moderate the relationship between CSR and Firm Financial Performance. Fadrul et al. (2021) argued that the IO significantly affects CSR and Financial Performance. ROA and CSR-MO are not significant. Then MO does not moderate the relationship between CSR and Firm Financial Performance (Fadrul et al., 2021). However, Jveed and Lefen (2019) argued that managerial ownership has a significant positive relationship with firm performance.

CONCLUSIONS AND IMPLICATIONS

The findings show that CSR and financial performance do not show a significant relationship. Moreover, according to the model I analysis results, CSR and Financial Performance (ROA) were insignificant, and IO was not significant in the relationship between CSR and Financial Performance (ROA). It means IO did not moderate the relationship between CSR and Financial Performance. Then the final model II analysis found that the relationship between CSR and Financial Performance (ROA) is insignificant. MO was insignificant in the relationship between CSR and Financial Performance (ROA). It means MO did not moderate the relationship between CSR and Financial Performance. This result can be because most previous studies were conducted in foreign countries, which were in the Sri Lankan context. Also, only non-financial company data were used for this study. Considering international and Sri Lankan CSR activities are different, these reasons can also affect this result. Considering CSR and Firm Financial Performance studies in the Sri Lankan context, there is a lack of studies. This will further enhance the existing Sri Lankan literature as this considers the moderate effect of ownership structure on the relationship between CSR and financial performance. According to the studies key findings, there was no significant relationship between CSR and Firm Financial Performance, and the moderating effect of ownership structure on this relationship was also found to be insignificant. Then these findings are mainly helpful to related parties such as investors, managers, directors, and shareholders when making financial and non-financial-financial information decisions. Also, policymakers can use this study finding in their policy-making initiations.

Keywords: Corporate social responsibility, financial performance, institutional ownership, managerial ownership

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DOES SUSTAINABILITY REPORTING CAN BE USED AS A STRATEGY TO INCREASE FIRM'S GROWTH? EVIDENCE FROM NON-FINANCIAL COMPANIES LISTED ON COLOMBO STOCK EXCHANGE

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INTRODUCTION

Businesses nowadays operate in a globally dynamic environment. At the same time, today's dynamic business environment faces several threats that must be addressed and controlled for stakeholders' protection and future generations. These matters cannot be compromised as organizations are socially responsible for sustainability impact and environmental and mental issues because the entire corporate world depends on these resources to operate. In this respect, the current research argues that the objectives of corporate environmental and social reporting are to expand the social acceptance or legitimacy of organizational activities. However, nowadays, organizations are increasingly embracing sustainable reporting. According to the Global Reporting Initiative (GRI) (2021), with thousands of reporters in more than 100 countries, the practice of standardized sustainable reporting continues to enable organizations and their stakeholders to take action and make better economic, environmental, and social decisions for all. This is in response to increased demand from stakeholders for institutions to be more transparent about their economic, social, and environmental activities.

Sustainability reporting is the disclosure and communication of environmental, social, and governance (ESG) goals and an organization's progress towards them. Organizations can gain many advantages from sustainability reporting and often enhanced as processes that contribute to higher external and internal decision-making, greater transparency, simultaneous enforcement of financial stability, and better social sustainability. Moreover, it shows a complete picture of sustainable future performance as shown by economic and non-financial performance. Sustainability Reporting in Sri Lanka is encouraging as more corporates voluntarily adopt the GRI guidelines for social and environmental reporting. Currently, Sri Lanka faces several ecological problems, including land deprivation, pollution, and poor management of water resources, damage to biodiversity, coastal erosion, and inadequate industrial waste management (Dissanayaka et al., 2019). Accordingly, based on the contemporary importance, the availability of contradictory evidence, and the absence of studies in the study area, the main issue addressed in this study attempts to examine the level of sustainability reporting in Sri Lanka and to assess the impact of sustainable financial reporting on firm's growth in Sri Lanka.

Moreover, this study is relevant and valuable for policymakers and regulatory institutions in Sri Lanka. This study shows the impact of sustainability reporting on a firm's growth. The same kind of practice is also recommended for other countries' issues having similar backgrounds and problems.

METHODOLOGY

Since this study examines the impact of sustainability reporting on a firm's growth in non-financial companies listed in Sri Lanka, a quantitative research approach is suitable. In contrast, the same approach is used in similar studies (Dissanayake et al., 2019). The population of the study is the non-financial companies listed on Colombo Stock Exchange (CSE), and 147 listed companies from 229 in the non-financial sector were taken into the sample for five financial years from 2017 to 2022.

Figure 1 below indicates the conceptual diagram developed based on a comprehensive literature review.

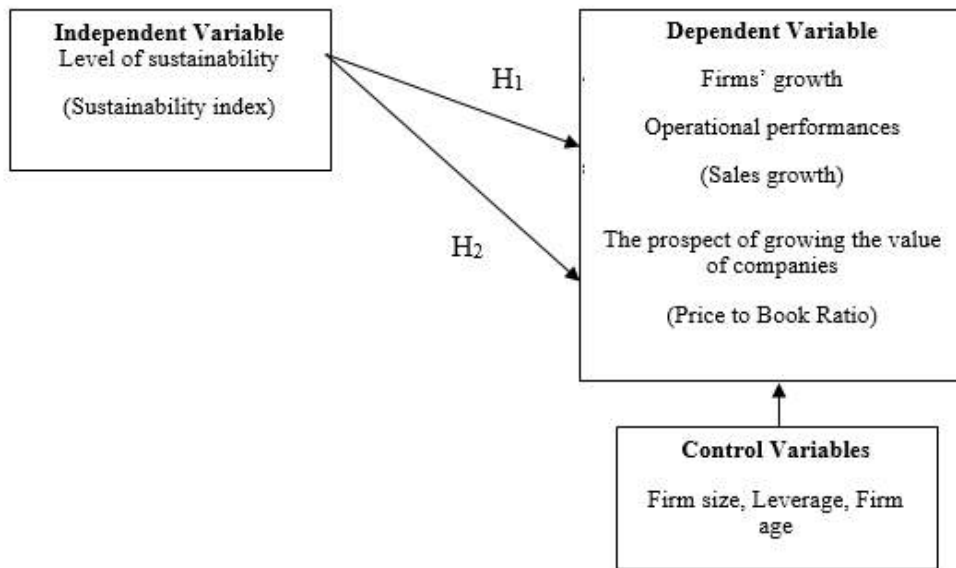


Figure 1 Conceptual Diagram

Accordingly, the following hypotheses were formulated.

H₁ - There is a significant impact of sustainable reporting on operational performance (estimated via sales growth) after controlling firm size, leverage, and firm age

H₂ - There is a significant impact of sustainability reporting on the prospect of growing the value of companies (estimated via price to book ratio) after controlling firm size, leverage, and firm age

Table 1 below illustrates the operationalization of the selected dependent, independent and control variables.

Table 1 Operationalization of variables

Variable	Measure	Extant literature
Independent Variable		
Level of Sustainability Reporting (SR_{it})	Use Sustainability Reporting Index (Note 01)	Dissanayake et al., (2021); Cho and Chun (2016)
Dependent Variables		
Operational performances ($SG_{i,t}$)	Sales growth (Sales _{<i>i,t</i>} - Sales _{<i>i,t-1</i>})/Sales _{<i>i,t-1</i>}	Dhaliwal et al. (2014)
The prospect of growing the value of companies ($PBR_{i,t}$)	Price to Book ratio -(PBR _{<i>t</i>}) The ratio between share price and its book value of firm <i>i</i> for the period <i>t</i> .	Lulfs and Hahn (2014)
Control Variables		
Firm Size ($FS_{i,t}$)	Natural logarithm of total assets of firm <i>i</i> for the period <i>t</i> .	Bozzolan et al., (2015)
Leverage ($LEVE_{i,t}$)	Ratio of total debt at the end of the period to the total assets at the end of the period <i>t</i> of firm <i>i</i> .	Bozzolan et al., (2015)
Firm Age ($FA_{i,t}$)	The number of years firm <i>i</i> has existed since the firm's establishing year till period <i>t</i> .	Muttakin et al. (2015).

Note 01: Sustainability Reporting Index

This study used structured content analysis using the GRI G3 indicators, where a quantitative scoring strategy was adopted to gather data from annual reports based on weights adopted (Dissanayake et al., 2021). This weighing scale has four levels, with a maximum score of 3 being given for detailed quantitative disclosures related to indicators disclosed, a score of 2 being given for non-quantitative but specific disclosures related to indicators, a score of 1 being given for general qualitative disclosures, and a score of 0 being given for companies that had not disclosed any information related to the indicators. The advantages of measuring different levels of disclosures were the key driver for adopting this scale. Thus, for the five years chosen, each organization's scores for each of the 79 indicators utilized under the economic, environmental, and social categories were calculated using this scale.

In order to satisfy the objectives of this study, data cleaning and screening techniques (i.e., winsorization and treating of missing data), diagnostic test analysis (i.e., testing for linearity, normality, multicollinearity, and heteroskedasticity), descriptive statistics, Bivariate and Multivariate analyses were performed. The regression model that will be applied is as follows:

$$SG_{i,t} = \alpha + \beta_1 SR_{i,t} + \beta_2 FS_{i,t} + \beta_3 LEVE_{i,t} + \beta_4 FA_{i,t} + \varepsilon_{i,t} \dots \dots \dots (1)$$

$$PBR_{i,t} = \alpha + \beta_1 SR_{i,t} + \beta_2 FS_{i,t} + \beta_3 LEVE_{i,t} + \beta_4 FA_{i,t} + \varepsilon_{i,t} \dots \dots \dots (2)$$

The finding obtained by the application of these analysis strategies is discussed in the next section.

RESULT AND DISCUSSION

Table 2 shows the results of descriptive statistics.

Variable	Observation	Mean	Median	Std. Dev.	Min	Max
<i>SG_{it}</i>	735	0.3571	0.2961	0.2810	.0001	1.6740
<i>PBR_{it}</i>	735	0.2859	0.2535	0.1921	.0400	0.6336
<i>SR_{it}</i>	735	0.6424	0.0127	0.8157	0.0000	2.1013
<i>FS_{it}</i>	735	19.9799	20.938	3.0568	13.9264	24.7694
<i>LEVE_{it}</i>	735	0.2989	0.2459	0.2166	0.0338	0.6893
<i>FA_{it}</i>	735	46.2707	40	23.5651	20	96

Definitions of these variables are indicated in Table 1.

The results of the descriptive statistics show that *SG_{it}*'s mean value is 0.3571, and the standard deviation is 0.2810. The result of the above indicates that the mean value of *PBR_{it}* is 0.2859 with a standard deviation of 0.1921. The positive value of PBR indicates the value of firms had a relatively high position, and it is helpful to companies' future investments. *FS_{it}*, has a mean of 19.9799. *LEVE_{it}* registers a mean value of 0.2989, suggesting a debt on assets of 29.89%. The mean firm age is given as 46.72%.

As findings from the correlation analysis (Table 3) *SR_{it}* is positively correlated with *SG_{it}* at 1 present level of significance, which means if sustainability reporting increases, that affects the increase in sales growth. Also, the results indicate sustainability reporting is significantly negatively correlated with the price-to-book ratio at 1 present significance level, which means if the sustainability reporting increases, that affects the decrease in Price to book ratio.

Variable	<i>SG_{it}</i>	<i>PBR_{it}</i>	<i>SR_{it}</i>	<i>FS_{it}</i>	<i>LEVE_{it}</i>	<i>FA_{it}</i>
<i>SG_{it}</i>	1					
<i>PBR_{it}</i>	0.5321**	1				
<i>SR_{it}</i>	0.2069**	-0.1035**	1			
<i>FS_{it}</i>	0.1512**	-0.0995**	0.2969**	1		
<i>LEVE_{it}</i>	0.1441**	-0.0481	0.0997**	0.0324	1	
<i>FA_{it}</i>	-0.2066**	-0.0828*	-0.0902*	-0.0593	-0.0947*	1

Note: Definitions of these variables are indicated in Table 1.

*. Correlation is significant at the 0.05 level

** . Correlation is significant at the 0.01 level

There is a positive relationship between *SG_{it}* and *FS_{it}*, *LEVE_{it}*. *FA_{it}* correlated with *SG_{it}* as negatively significant at the 1 present level. There is a negative relationship between *PBR_{it}* and *FS_{it}*, *LEVE_{it}* and *FA_{it}*.

Table 4 Regression Analysis results with Sales growth

Random effect regression model - SG_{it} (Model I)							
	Coefficient	Std. Err.	t	P value	R-sq	F value	Hausman test value
SR_{it}	0.0607	0.0239	2.54	0.011	0.0013	0.0004	0.2000
FS_{it}	0.0057	0.0060	0.94	0.349			
$LEVE_{it}$	0.0304	0.0561	0.54	0.588			
FA_{it}	-0.0023	0.0008	-	0.003			
Cons	0.3042	0.1263	2.41	0.016			
Number of observations 735							
Number of groups 147							

Note: Definitions of these variables are indicated in Table 1.

*Dependent Variable is SG_{it}

The regression analysis revealed a significant positive relationship between SG_{it} , and SR_{it} , and an insignificant positive relationship between SG_{it} and FS_{it} , $LEVE_{it}$. Moreover, it implied a significant negative relationship between SG_{it} and FA_{it} . Lo and Sheu (2007) concluded that corporate sustainability is positively related to firm value when a firm's sales growth is relatively high. In difference, when a firm's sales growth is relatively low, the volume of the positive relationship is reduced. The higher the sales growth, the stronger the relationship between corporate sustainability and firm value.

Table 5 Regression Analysis results with Price to book ratio

Fixed effect regression model – PBR_{it} (Model II)							
	Coefficient	Std. Err.	t	P value	R-sq	F value	Hausman test value
SR_{it}	0.2325	0.1177	1.98	0.048	0.0411	0.0001	0.0013
FS_{it}	-0.0516	0.0125	-4.12	0.000			
$LEVE_{it}$	-0.0858	0.0526	-1.63	0.104			
FA_{it}	-0.0054	0.0027	-0.20	0.844			
Cons	1.2174	0.2695	4.52	0.000			
Number of observations 735							
Number of groups 147							

Note: Definitions of these variables are indicated in Table 1.

*Dependent Variable is PBR_{it}

The regression analysis revealed that there is a significant positive relationship between PBR_{it} and SR_{it} and a significant negative relationship between PBR_{it} and FS_{it} . And also, it implied that there is an insignificant negative relationship between PBR_{it} and $LEVE_{it}$, FA_{it} . Accordingly, Kuzey and Uyar (2017) presented the value relevance of GRI-based sustainability reporting and confirmed a positive relationship between sustainability reporting and firm value. If organizations care about sustainability issues, organizations must announce this by issuing sustainability reports. Doing so will improve their reputations while attracting individual and institutional investors.

According to the developed hypothesis H₁, sustainable reporting significantly impacts sales growth by controlling Firm size, Leverage, and Firm age. Moreover, according to coefficient results, H₁ is supported; therefore, a positive relationship exists between sustainable reporting and sales growth by controlling Firm size, Leverage, and Firm age. Past studies concluded that corporate sustainability is positively related to firm value when a firm's sales growth is relatively high. In difference, when a firm's sales growth is relatively low, the volume of the positive relationship is reduced. The higher the sales growth, the stronger the relationship between corporate sustainability and firm value.

According to hypothesis H₂, sustainable reporting significantly impacts the price-to-book ratio by controlling Firm size, Leverage, and Firm age. According to the coefficient result, a significant positive relationship exists between sustainable reporting and price-to-book ratio, while H₂ is supported. Past studies presented the value relevance of GRI-based sustainability reporting and confirmed a positive relationship between sustainability reporting and firm value. If organizations care about sustainability issues, organizations must announce this by issuing sustainability reports. Doing so will enhance their reputations while attracting individual and institutional investors.

CONCLUSIONS AND IMPLICATIONS

This study aimed to examine the impact of Sustainability Reporting on a Firm's growth in non-financial companies listed in Sri Lanka. Data for this study were collected from sustainability reports of non-financial companies listed on the Colombo Stock Exchange from 2016/2017 to 2020/2021. The study contributed to the existing literature by identifying the current state of sustainability reporting in Sri Lanka and the impact of sustainability reporting on a firm's growth in the Sri Lankan context. Furthermore, the research could cater to contradictory opinions in the existing literature. However, there are several limitations to the research. This research was conducted based on non-financial listed companies. Their sustainability reporting is a voluntary requirement; therefore, all companies may not provide sustainability reports. Moreover, the findings of this research might not apply to companies from countries where sustainability reporting is mandatory or companies that are not non-financial listed companies in the sample represent. Furthermore, this study can be further improved to identify the relationship between organizational social performance and the state of sustainability reporting. Future researchers can conduct their research on an extended sample of companies in Sri Lanka. Comparative sustainability reporting analysis can be conducted with other countries in the region. The GRI is based on the practices in developed countries, which can be strictly adopted in developing countries like Sri Lanka.

Keywords: Firm's growth, non-financial companies, price to book ratio, sales growth, sustainability reporting

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FACTORS AFFECTING STOCK MARKET PARTICIPATION OF INDIVIDUAL INVESTORS IN SRI LANKA

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INTRODUCTION

Economically, people act as investors and savers in public life. They typically spend their money on multiple investment approaches depending on their level of awareness and capacity (Somathilake, 2020). Sri Lanka's stock exchange, known as the Colombo Stock Exchange (CSE), is one of South Asia's most developed stock markets, featuring a completely automated trading platform (Rathnayaka et al., 2006). This study used a self-administered structured questionnaire to conduct a cross-sectional survey and collected empirical data from 330 individual investors. Five dimensions were created using the component analysis in a model to quantify stock market participation: attitudinal factors, financial literacy, digitalisation, advocate recommendation & experience. In light of the study's accomplishment of its goals, it can be said that most individual investors always make the most logical decisions regarding their investments. The results showed that individual investors were more concerned with financial literacy and experience than attitudinal factors.

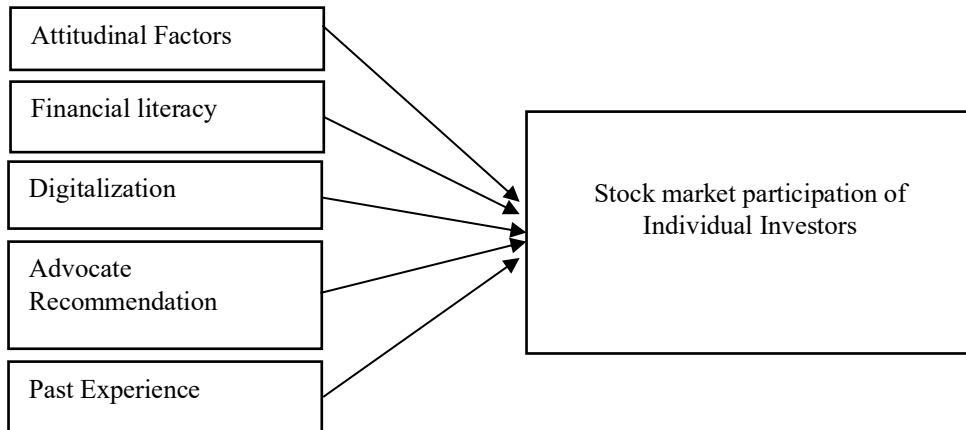
A person's attitude toward investment decisions is critical in determining whether or not to participate in the stock market. Investors' views toward investing, subjective norms, and perceived behavioural control all positively influence their behavioural intentions to participate in the stock market (Akhter & Hoque, 2022). Individuals with low financial literacy are substantially less likely to invest in stocks, and financial literacy statistically significantly influences investment decisions (Rooij et al., 2011; Jariwala, 2015). According to Sivaramakrishnan (2017), the likelihood of someone participating in the stock market positively correlates with financial literacy. Digitalisation significantly influences the productivity of personal economic portfolios by enhancing investing simplicity, enhancing financial information acquisition, and boosting consumer risk tolerance, as Wang (2021) suggested. Further, neutral information and advocate recommendations influence the individual investment decision. Individual investors are not so rational when they make investment decisions. Therefore, brokerage firms are advised to communicate reliable information with their clients (Indirani, 2021). Experience showed no significant direct impact on investors' intentions; however, it had a significant indirect relationship mediated by the attitude of investors (KPMG, 2020). Less experienced ones would have less participation in stock markets due to the fear of losing their money and not having accurate information about the past performances of the stock market (Weerasekara, 2020). To the researchers' knowledge, much research has not been done that emphasises financial literacy, attitudinal factors, digitalisation, advocate recommendation, and experience to explain investors' stock market participation. In particular, this study broadens the perspective of financial literacy and examines to which extent investors utilise it to the effects of stock markets. The study of

attitudes and experience has received much attention, but there has not been as much focus on how digitisation affects stock market behaviour. The knowledge already known may be significantly expanded by the fresh insight that this study can provide. Therefore, this research mainly focuses on the factors affecting stock market participation.

METHODOLOGY

This methodology part describes the conceptual framework, hypotheses, population & sample of the study, data collection and data analysis methods used in this study.

Figure 1 Conceptual Framework



According to Figure 1: Conceptual framework, stock market participation is identified as the dependent variable of this study. Attitudinal factors, financial literacy, digitalization, advocate recommendation and experience were the independent variables. It implies that stock market participation depends on independent variables identified in this study. Based on the literature, the following hypotheses were developed and tested.

H₁: There is a significant influence of attitudinal factors on individual investors' stock market participation.

H₂: There is a significant influence of financial literacy on individual investor's stock market participation

H₃: There is a significant influence of digitalization on individual investor's stock market participation

H₄: There is a significant influence of advocate recommendation on individual investor's stock market participation

H₅: There is a significant influence of past experience on individual investor's stock market participation

The population of the study is individual investors in Sri Lanka, and there are more than 100,000 individual investors who took part in stock exchange activities in the current era. The current study identified 382 individual investors using a random sampling method as the sample of the study based on the sample size selection table (Krejcie & Morgan, 1970). Data

was collected by distributing an online questionnaire and analysed using social science statistical software (SPSS). Both descriptive and inferential statistical techniques were utilised to analyse the data collected from the questionnaire. Moreover, reliability and validity tests were performed by conducting pilot trials for the results to be accurately applied and interpreted.

The operationalisation of variables is depicted in Table 1.

Table 1 Operationalization of variables

Variable	Measurement	Supportive literature
Attitudinal factors	<ul style="list-style-type: none"> ● Attitude ● Risk avoidance ● Perception of regulator 	Stalnacke (2019)
Financial literacy	<ul style="list-style-type: none"> ● Financial indicators ● Interest rate policy awareness ● Sound knowledge of financial instruments 	Ahmad (2020)
Digitalization	<ul style="list-style-type: none"> ● Data accuracy and accessibility ● Digital literacy ● Technology awareness ● Trend awareness 	Ahmad (2020)
Advocate Recommendation	<ul style="list-style-type: none"> ● Broker recommendation ● Family member opinions ● Friend or coworker recommendations ● Opinion of firm's major shareholders 	Jariwala (2015)
Past experience	<ul style="list-style-type: none"> ● Past performance of the company ● Attractiveness of stock investment ● Needs for diversification ● Ease of obtaining borrowed funds ● Minimizing risk of loss on the market 	Stalnacke (2019)
Stock market participation of individual investors	<ul style="list-style-type: none"> ● Awareness ● Trust ● Transaction cost ● Cognitive skills ● Perceptions 	Sivaramakrishnan et al. (2017)

RESULTS AND DISCUSSION

The selected sample is normally distributed based on the probabilities of Kolmogorov - Smirnov test, the null hypothesis cannot be rejected because the probabilities are greater than the 5% significance level. Even though the sample profile is not tabulated, the figures confirmed that most participants represent males, around 57 percent. The mainstream of the individuals is in the age group 36- 55, which consists of 38% and 32% representing the 26 – 35 age group, and the lowest percentage representing the above 55 age group. Most participants have been educated up to school, and the percentage of undergraduates and postgraduates is 21%, and income is between the ranges of Rs. 51,000 – 100,000. 14% of participants earn below Rs. 25,000 monthly, while 81% get more than Rs. 26,000. Professionally occupied survey takers represent the majority which is 39%, and 33% are engaged in business activities. Nineteen surveyors are not employed. Fifty-nine respondents have experience trading for less than one year, and 29% of the respondents' trading experiences are between 1 to 2 years. Eighty-nine participants representing 27% of the entire participants, have experience of more than five years. Trading capital is less than Rs.50, 000 for 93 respondents, whereas 100 respondents invested between Rs. 200,000 – 500,000 as capital. 9% have financed more than Rs. 500,000.

Table 2 Result of Descriptive Analysis

	N	Minimum	Maximum	Mean	Std. Deviation
AF	330	1.00	5.00	4.3763	0.62219
FL	330	1.00	4.60	3.6842	0.48296
DI	330	1.00	5.00	4.4015	0.56492
AR	330	1.00	5.00	4.3721	0.56543
PE	330	1.60	5.00	4.3992	0.55746
SMP	330	1.40	5.00	4.3976	0.59029

Results of descriptive statistics (Table 2) show that the mean values of each variable are close to Likert scale 4. Therefore, it implies that all the variables are at in “agree” level. The highest standard deviation is 0.62219, and attitudinal factors represent it. Therefore, it can be considered as attitudinal factors are more deviated than other variables. On the other hand, the lowest standard deviation is 0.48296, which belongs to digitalisation.

Table 3 Result of Correlation Analysis

	AF	FL	DI	AR	PE	SMP
AF	1					
FL	0.460**	1				
DI	0.856**	0.540**	1			
AR	.720**	0.476**	0.708**	1		
PE	0.790**	0.500**	0.855**	0.683**	1	
SMP	0.822**	0.505**	0.862**	0.705**	0.837**	1

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

The highest positive correlation of 0.856 can be seen between financial literacy and experience. This positive correlation indicates that these two variables are moving in the same

direction. Each variable positively correlates with the relationship between stock market participation and the independent variables.

Table 4 Result of Regression Analysis

Model	Unstandardized Coefficients		Standardized	T	Sig.
	B	Std. Error	Coefficients		
(Constant)	-0.003	0.137	Beta	-0.022	0.982
AF	0.201	0.049	0.212	4.122	0.000
FL	0.035	0.037	0.028	0.941	0.347
DI	0.365	0.063	0.349	5.831	0.000
AR	0.096	0.040	0.092	2.415	0.016
PE	0.311	0.053	0.294	5.896	0.000

R 0.895, R Square 0.800, F 259.469, Sig 0.000

According to the Table 4 indicates the result of regression analysis. According to the R^2 value, it implies that 80% of the factors affecting stock market participation of individual investors are attitudinal factors, financial literacy, digitalisation, advocate recommendation and experience, and the other 20 percent of stock market participation is decided by other factors which are explicit to the study. According to Akhter and Hoque (2022), investors' views toward investing, subjective norms, and perceived behavioural control positively influence their behavioural intentions to participate in the stock market. The analysis portrays the highest standard deviation, 0.62219 for attitudinal factors. Individuals with low financial literacy are substantially less likely to invest in stocks, and financial literacy statistically significantly influences investment decisions (Rooij et al., 2011; Jariwala, 2015) which the researcher analytically proved. According to KPMG (2022), past experience showed no significant direct impact on investor's intentions; however, the study proved that individuals' experience highly affected investment decisions in the stock market.

CONCLUSIONS AND IMPLICATIONS

With a diverse ethnic population and several cultural traits shared with other Asian nations, Sri Lanka is a developing economic powerhouse. In this study, the researchers concentrated on examining the factors affecting the stock market participation of individual investors in Sri Lanka. To determine which elements had the most and least impact on an individual's decision to invest in the CSE, the study focused primarily on attitudinal factors, financial literacy, digitalisation, advocate recommendation and experience. The analysis has determined that all variables are positively correlated with individual investment in CSE, as per the study's objectives. Nevertheless, individuals mainly consider financial literacy and experience when making their selections and pay little attention to digitalization. The researchers illuminate that before making an investment decision, investors should carefully analyze the investment elements using reasonable business expertise since they affect how well a share performs on the market. Investors should also be able to comprehend market and economic statistics. Considering this, the objectives of the present study were satisfactorily met, and it is reasonable to draw the conclusion that the majority of individual investors make sensible investment choices.

Keywords: Advocate recommendation, attitudinal factors, digitalization, financial literacy, past experience.

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FACTORS INFLUENCING FOREIGN PORTFOLIO INVESTMENT IN COLOMBO STOCK EXCHANGE

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INTRODUCTION

Capital flows, which are crucial for maintaining economic growth, are one of the most important sources of funding for emerging nations. Foreign investments can be a transfer of capital from one country to another, granting the foreign investor a significant ownership stake in the local companies and assets. Foreign portfolio investment (FPI), foreign direct investment (FDI), and other investments (OI) are all critical components of capital inflow (Jariya, 2020). Macroeconomic variables significantly determine a country's portfolio investment inflows. Considering the factors influencing FPI, as per the previous research, various factors have been identified, such as; Economic growth (ECG), inflation (INF), the foreign exchange rate (FER), industrial production growth (IPG), stock market performance (SMP), and FDI (Waqas et al., 2015). According to the literature review, specific empirical gaps exist in the factors impacting FPI. Previous studies have paid less attention to FPI and have focused more on FDI. Further, previous studies focused mainly on a few criteria. For instance, company-specific factors, market capitalization (MCAP), earnings quality, GDP growth, and interest rate (IR) (Wijesinghe & De Silva, 2020). However, they have not focused more on some critical factors in the Sri Lankan context. Such as FER, INF, IPG, and SMP. The study's specific objectives are to investigate the critical factors influencing FPI in Colombo Stock Exchange (CSE) and examine the long-run relationship between dependent and independent variables.

METHODOLOGY

This research was conducted using a deductive approach, and this is quantitative research conducted using time series secondary data. This study used the period from 2011, January to 2020, and December as the sampling period by using monthly data. Data was collected from World Bank reports, CSE data library, CBSL reports, Census and Statistic Department reports, and official websites. Further, IR, FER, INF, IPG, MCAP, and SMP are independent variables. Meanwhile, the dependent variable is FPI in CSE. According to the conceptual framework, the researcher developed hypotheses to overcome the objectives of the study as follows,

H₁ - There is a co-integration relationship between dependent (FPI) and independent variables (IR, FER, INF, IPG, MCAP, and SMP).

Previous researchers have performed studies related to the co-integration relationship among the variables that influence FPI (Ullah et al., 2021). There is a long-term relationship between the dependent and independent variables (Anayochukwu, 2012).

H₂ - There is a significant relationship between IR and FPI.

Previous researchers have performed studies related to the relationship between IR and FPI (Nasution et al., 2019). IR has a significant relationship with FPI (Wijesinghe & De Silva, 2020).

H₃ - There is a significant relationship between FER and FPI.

Most of the researchers have selected the FER as the independent variable with FPI for research studies (Ullah et al., 2021). There is a significant relationship between FER and FPI flows (Ullah et al., 2021).

H₄ - There is a significant relationship between INF and FPI.

Previous researchers have performed studies by applying INF as an independent variable while selecting FPI as a dependent variable. INF has a significant relationship with FPI in Pakistan (Aziz et al., 2015).

H₅ - There is a significant relationship between IPG and FPI.

Few researchers have identified IPG as an independent variable for their studies (Daude & Fratzscher, 2006). Waqas et al. (2015) found a significant relationship between IPG and FPI.

H₆ - There is a significant relationship between MCAP and FPI.

According to previous studies, most researchers have selected market capitalization as an independent variable (Aziz et al., 2015). MCAP has a significant relationship with FPI (Chukwuemeka et al., 2012).

H₇ - There is a significant relationship between SMP and FPI.

Most past studies have selected stock market performance as an independent variable for their studies (Al-Smadi, 2018). Ullah et al. (2019) have found that SMP has a significant relationship with FPI.

Table 1 Operationalization of Variables

Type	Variable	Measurements	Extant Literature
Independent Variable	Interest Rate (IR)	RIR= NIR- Inflation	Waqas et al. (2015) Ullah et al. (2021)
Independent Variable	Foreign Exchange Rate (FER)	RER= NER (Nominal Exchange Rate) * (CPI _{pak} / CPI _{usa})	Waqas et al. (2015)
Independent Variable	Inflation (INF)	Consumer price index (CPI)	Waqas et al. (2015) Ullah et al. (2021)
Independent Variable	Industrial Production Growth (IPG)	Industrial Production Index	Waqas et al. (2015) Osmond and Okonkwo (2016)
Independent Variable	Market Capitalization (MCAP)	Number of outstanding shares * current shares market price	Aziz et al. (2015)
Independent Variable	Stock Market Performance (SMP)	All Share Price Index (ASPI)	Kumara and Dayaratne (2015)
Dependent Variable	Foreign Portfolio Investments (FPI)	Net Foreign Purchases = Foreign Purchases- Foreign Sales	Liyanarachchi and Wijesinghe (2021)

RESULTS AND DISCUSSION

Table 2 provides the outcomes of descriptive statistics. The median value of each variable has shown the middle value. The standard deviation has shown that the variables can deviate from their mean within a range. The mean value has shown the average. FPI, FER, INF, and IPG have positive skewness, indicating the maximum values on the right side of the mean. The rest variables have negative skewness. FPI and IPG have high peaks and leptokurtic distribution because those values are higher than 3.

Table 2 Results of the descriptive analysis

Variables	FPI	IR	FER	INF	IPG	MCAP	SMP
Mean	-89.387	7.799	146.179	5.245	121.764	2625.295	6221.897
Median	-127.032	8.025	143.900	5.000	112.150	2688.000	6203.300
Maximum	17943.400	10.580	192.850	12.100	234.300	3115.300	7798.000
Minimum	-9554.610	4.530	109.480	1.000	50.000	1568.400	4289.470
Std. Dev.	3882.055	1.380	23.329	2.253	30.126	337.953	671.276
Skewness	0.729	-0.376	0.385	0.370	2.050	-0.641	-0.190
Kurtosis	3.873	0.102	-0.905	0.003	4.512	-0.151	-0.041

Table 3 provides the results of the correlation analysis. As per the results of correlation analysis, IR, INF, and SMP have a positive correlation with FPI. FER, IPG, and MCAP have a negative correlation with FPI. Each correlation value was examined using two levels of significance, i.e., = 0.01 and = 0.05, to determine whether it was statistically significant to examine the strength of the linear relationship between the independent variables. Accordingly, all the correlation values are statistically significant except for the relationship between IR and FPI, INF and IR, SMP and IPG, and SMP and MCAP.

Table 3 Correlation Matrix

	FPI	IR	FER	INF	IPG	MCAP	SMP
FPI	1						
IR	0.339	1					
FER	-0.354	-0.310	1				
INF	0.045	0.377	-0.086	1			
IPG	-0.068	0.041	-0.584	0.094	1		
MCAP	-0.087	-0.431	0.225	-0.500	-0.03	1	
SMP	0.041	-0.312	-0.422	-0.293	0.491	0.707	1

Table 4 provides the outcomes of the unit root test. Only FPI is stationary and other variables are unit root in the level because of p-values of that variables are greater than 0.05. All the chosen variables are stationary at 1st difference. Because the p-values of all variables are lower than 0.05.

Table 4 Results of the stationary test (ADF)

Variable	Level I (0)	P-values	1 st Differences I(1)	P-values
FPI	-7.233	0.000	-9.675	0.000
IR	-0.036	0.952	-5.751	0.000
FER	-0.374	0.908	-8.175	0.000
INF	-2.209	0.204	-8.699	0.000
IPG	-3.483	0.010	-12.915	0.000
MCAP	-2.265	0.184	-11.059	0.000
SMP	-2.490	0.120	-10.473	0.000

Note: Critical values are -2.885 and -2.579 at the 5% and 10% I (0). The critical values are -2.886 and -2.580 at 5% and 10% I (1).

Table 5 demonstrates the outcomes of the co-integration analysis. According to the results, hypothesized co-integrated linear equations are 7, and the independent variables of this study

are six. At the same time, none demonstrates only an intercept model, i.e., a model having no independent variable. The co-integration test found two co-integrating linear relationships as there is a co-integration relationship between dependent and independent variables. Two linear equations were revealed co-integrated, none, and one at most.

Table 5 Results of the Johansen Co-integration Test

Hypothesized No. of CE(s)	Eigenvalue	Trace Statistic	0.05 Critical Value	Prob.**
None *	0.324	145.509	125.615	0.001
At most 1 *	0.291	99.538	95.753	0.026
At most 2	0.232	59.298	69.818	0.257
At most 3	0.114	28.340	47.856	0.798
At most 4	0.076	14.127	29.797	0.833
At most 5	0.039	4.763	15.494	0.833
At most 6	0.000	0.037	3.8414	0.846

The trace test indicates 2 cointegrating eqn(s) at the 0.05 level

* denotes rejection of the hypothesis at the 0.05 level

**MacKinnon-Haug-Michelis (1999) p-values

Table 6 provides the results of the regression analysis. To overcome this, Ordinary Least Square (OLS) regression analysis method is applied. Regression analysis is carried out to test the statistical significance of variables. The observed value of F-statistic = 7.628 is high enough, and the p-value is ($0.000 < 0.05$), demonstrating that the overall model is highly statistically significant and is a good model. Further, the value of the Durbin-Watson stat is 1.798, which is closer to two. This indicates that the model is the best fit for data and that the model can be accepted. Furthermore, IR is positively and significantly associated with FPI. INF and MCAP are positively but insignificantly associated with FPI. FER and IPG have shown a negative and significant relationship with FPI. Further, SMP has shown a negative and insignificant relationship with FPI.

Table 6 Regression Coefficients

Variable	Coefficient	Std.Error	t-Statistic	Prob.
C	12033.120	8937.112	1.346	0.180
IR	632.026	302.932	2.086	0.039
FER	-97.583	31.284	-3.119	0.002
INF	35.914	174.610	0.205	0.837
IPG	-47.471	15.054	-3.153	0.002
MCAP	2.397	2.938	0.815	0.416
SMP	-0.560	1.673	-0.335	0.738
R-squared	0.288		Akaike info criterion	19.134
Adjusted R-squared	0.250		Schwarz criterion	19.296
F-statistic	7.628		Hannan-Quinn criter.	19.200
Prob(F-statistic)	0.000		Durbin-Watson stat	1.797

Two residual diagnostics tests were applied, including serial correlation LM and heteroskedasticity tests. The residual diagnostics concludes that the model is the best, and the model can be fitted to the data set.

Table 7 provides the results of the serial correlation LM test. The conclusion is that there is no serial correlation among the residuals, and the null hypothesis can be supported. Because a p-value is 0.888 is higher than 0.05. It demonstrated that the probability is insignificant.

Table 7 Breusch-Godfrey Serial Correlation LM Test

F-statistic	0.310	Prob. F(5,108)	0.905
Obs*R-squared	1.699	Prob. Chi-Square(5)	0.888

Table 8 provides the results of the serial correlation LM test and the heteroskedasticity tests. The conclusion is that there is no heteroskedasticity. Then, the null hypothesis can be supported. Because a p-value is 0.965, is higher than 0.05. It means that the probability is insignificant.

Table 8 Heteroskedasticity Test: ARCH

F-statistic	0.184	Prob. F(5,109)	0.967
Obs*R-squared	0.966	Prob. Chi-Square(5)	0.965

Table 9 Results of Hypotheses

Hypothesis	P-Value	Supported / Not supported
H ₁ - There is a co-integration relationship between dependent and independent variables	0.001	Supported
H ₂ - There is a significant relationship between IR and FPI	0.039	Supported
H ₃ - There is a significant relationship between FER and FPI	0.002	Supported
H ₄ - There is a significant relationship between INF and FPI	0.837	Not-supported
H ₅ - There is a significant relationship between IPG and FPI	0.002	Supported
H ₆ - There is a significant relationship between MCAP and FPI	0.416	Not-supported
H ₇ - There is a significant relationship between SMP and FPI	0.738	Not-supported

According to the results above, there is a co-integration relationship between dependent and independent variables. This result is consistent with the study by Tabak (2003; Anayochukwu (2012), which found a co-integration relationship between dependent and independent variables. IR has a significant relationship with FPI. This finding is consistent with the study conducted by Ikenna in 2018. FER has a significant relationship with FPI. This finding is consistent with the study by Nasution et al. (2021). There is no significant relationship between INF and FPI. This finding was confirmed by Waqas et al. in 2015. However, it is inconsistent with the findings of Nasution et al. (2021). IPG has a significant relationship with

FPI. This finding is consistent with the study conducted by Osmond & Okonkwo (2016). Further, MCAP has not a significant relationship with FPI. It is not consistent with the study conducted by Aziz et al. (2015). SMP has not a significant relationship with FPI. This finding is consistent with the study conducted by Al-Smadi, (2018). However, it was not consistent with the findings of Ullah et al. (2019).

CONCLUSIONS AND IMPLICATIONS

This study used time series secondary data to examine the factors influencing FPI in CSE. The study's main objectives are to investigate the critical factors influencing FPI in CSE and examine the long-run relationship between factors influencing FPI. Therefore, investors pay attention to the factors influencing FPI before their investments, and foreign investors need to study and understand the status of FPI in the CSE to make their investment decisions effectively. This study may help to identify the critical factors influencing FPI in CSE to foreign investors before making their investments. In this study, the long-run relationship is analyzed by the co-integration test. The co-integration test found two co-integrating linear relationships as there is a co-integration relationship between dependent and independent variables. Two linear equations were revealed co-integrated, none, and one at most. IR has a positive and significant influence on FPI. FER and IPG have a negative and significant impact on FPI. INF and MCAP have a positive but insignificant influence on FPI. Further, SMP has a negative and insignificant influence on FPI. The researcher concluded that this model is the best as per the regression analysis. Further, the researcher concluded that there is no serial correlation among the residuals and no heteroskedasticity among the residuals as per the residual tests. The researcher implied that he had applied non-common independent variables for the study, the importance of this research area for the new researchers, and how to achieve and enhance foreign portfolio investment by systematically managing the factors in this study of Sri Lanka as a developing country. Further, the researcher has provided practical implications for the country's policymakers.

Keywords: Colombo Stock Exchange, foreign direct investment, foreign portfolio investment

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FACTORS INFLUENCING SMALL AND MEDIUM SCALE ENTERPRISES' TAX COMPLIANCE INTENTION IN SRI LANKA: SPECIAL REFERENCE TO MATALE DISTRICT

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INTRODUCTION

Tax compliance has become a challenge and significant concern for tax administrators around the world, with finding ways to characterise and illustrate the supposed forms of non-compliance and finding ways to reduce it. Tax compliance can be defined as the degree to which a taxpayer complies or fails to comply with the tax rules of their country. As for Ajzen's (1991) Theory of Planned Behavior (TPB), people's behaviour depends on the fact that they have a purpose for it. According to Alm (1999), individuals do not like paying taxes and take various actions to reduce their tax liabilities. Hence, tax evasion creates a "tax gap", which can be broadly defined as the difference between the taxes that would be paid if all obligations were fully met in all instances and taxes that are produced and collected (Canada Revenue Agency, 2020). According to Atuguba (2006), as cited in (Kuug, 2016), the advancement of a country rest primarily on taxation; therefore, in the absence of adequate revenue, progress efforts will be hindered. Thus, taxpayers' compliance with tax laws is essential to keep the system working and support the programs and services that improve lives.

According to the economic data of Sri Lanka, tax to GDP had continuously decreased, and tax evasion, poor tax administration, a gamut of tax exemptions, and discretionary and ad-hock tax policy changes were the reasons. In 2014, the tax-to-GDP ratio dipped to 10.1 per cent; numerous efforts have increased voluntary tax compliance (Moramudali, 2019). The Government of Sri Lanka recognizes SMEs as the backbone of the economy, as it accounts for more than 75% of the total number of enterprises, provide 45% of the employment and contribute to 52% of the Gross Domestic Production (GDP) (Ministry of Industry and Commerce, 2015). And SMEs are considered even more critical with providing many primary services and materials to large businesses and believing they will one day evolve into large enterprises. However, the general perception of SME tax compliance is that SMEs do not pay taxes.

According to Akinboade (2015), as cited in (Heenkenda et al., 2016), SMEs are low-income generators and less tax compliant compared to large businesses and were considers hard-to-tax group from the informal sector. But, there are still many SMEs who comply with the tax requirements. And the intentions of their tax compliance had influenced by many factors. However, compared to other countries, there are not many articles and journals published in Sri Lanka about the influencing factors to SME tax compliance to serve as literature. Therefore, this study will focus on the factors that influence the tax compliance intention of SMEs in the Sri Lankan context by using TPB as a theoretical framework. This will enhance

the literature regarding factors influencing the tax compliance intention of SMEs in the Sri Lankan context. Further, this study can aid policymakers in improving voluntary tax compliance. The remainder of this study is organized as follows. The next section describes the conceptual framework and methodology adopted in this study. After that, the results of the analyses and a discussion are made. The conclusions derived are explained in the last section.

METHODOLOGY

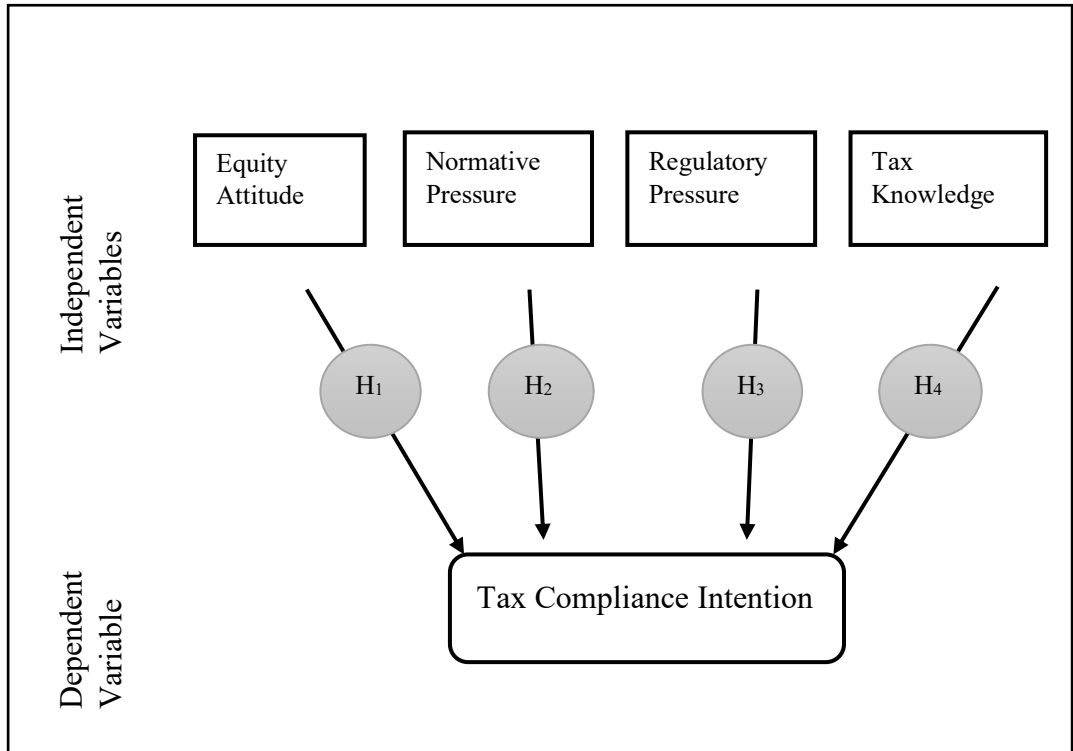


Figure 1 Conceptual Framework

The study has conducted to identify the factors influencing tax compliance intention of SMEs in the Sri Lankan context using the Quantitative method and deductive approach. The population comprises small and medium taxpaying enterprises (employees less than 200) in the service sector, registered under the Sri Lanka Inland Revenue Department. According to the Department of Census Statistics (DCS) 2019 data, the sample of this research is limited to the SMEs in the Matale district, which are limited to 10,381 enterprises as per the DCS statistics in 2019. With the current tax system, most small enterprises are not liable to pay taxes.

Hence, the researcher has collected data from 150 tax-liable SMEs in Matale District.

Based on the conceptualization, the following hypotheses can be developed.

H1: There is a positive relationship between equity attitude (perception towards fairness) and tax compliance intention of SMEs in Sri Lanka.

H2: There is a positive relationship between Normative Pressure and tax compliance intention of SMEs in Sri Lanka.

H₃: There is a positive relationship between Regulatory pressure and tax compliance intention of SMEs in Sri Lanka.

H₄: There is a positive relationship between Tax Knowledge and tax compliance intention of SMEs in Sri Lanka.

The data were analyzed using descriptive statistics such as mean and standard deviation as well as inferential statistical techniques such as correlation and regression analysis

$$TCI = \beta_0 + \beta_1 EA + \beta_2 NP + \beta_3 RP + \beta_4 TK + \epsilon$$

Where, TCI – Tax Compliance Intention

EA – Equity Attitude

NP – Normative pressure

RP – Regulatory Pressure

TK – Tax Knowledge

β_0 – Constant

$\beta_1 - \beta_4$ = Regression Coefficient

RESULTS AND DISCUSSION

The results of the descriptive analysis, correlation analysis and the ordered logistics and panel versions of the multivariate regression analyses are presented with the resulting discussion in this section.

Table 1 Descriptive Analysis of Variables

	N	Min	Max	Mean	SD
TCI	116	1.00	5.00	3.50	.818
TK	116	1.00	5.00	3.47	1.072
RP	116	1.00	5.00	3.86	.935
NP	116	1.00	5.00	3.15	1.181
EA	116	1.00	5.00	3.06	.859
Valid N (listwise)	116				

As the mean value 2.5-3.5 was considered to represent the moderate level of compliance intention while 3.5 above were proved as good compliance intention, above table 1 prove that all the variables, except the RP, influence to have a moderate level of TCI to SMEs. Yet, RP was proved to have a good compliance intention impact on SMEs with 3.86 of the mean value.

Table 2 Correlation between the Variables

	TCI	TK	RP	NP	EA
TCI	1				
TK	.783**	1			
RP	.753**	.767**	1		
NP	.751**	.742**	.799**	1	
EA	.226*	.369**	.252**	-.034	1

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

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

As for table 2, NP, RP, and TK correlation proved that their correlation with TCI is moderately positive. And their significant value was 0.000 ($P < 0.05$). However, EA correlation was proved to have a weak positive relationship with 0.226 of Pearson correlation. And the significant level of EA was 0.015, which is lower than the decision criteria of $P < 0.05$.

The value of R Square is 0.693. It means that independent variables contributed to 69.3% of the variation in TCI of SME taxpayers. Therefore, the model is proved as a good prediction.

Table 3 Multiple Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.833 ^a	.693	.682	.48457	62.774	.000 ^a

^aPredictors: (Constant), EA, RP, NP, TK

According to Table 3 the P-value is 0.000 ($p < 0.05$). This indicates that all independent variables have a significant relationship with the dependent variable, tax compliance intention. And the 62.774 F value has proven the predictive power of all independent variables and explains that it is unlikely to all of the coefficients equal zero.

Table 4 Coefficient Correlation of Variables

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	.575	.208		2.762	.007
	TK	.405	.104	.386	3.878	.000
	RP	.164	.081	.205	2.027	.045
	NP	.278	.102	.303	2.719	.008
	EA	.031	.049	.043	.626	.533

^aDependent Variable: Tax Compliance Intention

According to the survey data presented in table 4, NP, RP, and TK has a significance level below 0.05. This indicates the influence of the variables was significant. However, the significance level of EA is 0.533. It indicates the responses for EA are highly volatile. Hence it doesn't make a good component to make predictions of the influence it has on tax compliance intention.

According to the above table, the multiple regression can be calculated as follows;

$$TCI = 0.575 + (0.031 EA) + 0.278 NP + 0.164 RP + 0.405 TK + 0.208$$

According to the findings of the research equity attitude (perception towards fairness) was proved to have no significant influence over tax compliance intention of SMEs. However, previous studies by (Barbuta-Misu, 2011) and (Torgler et al., 2003) proved that horizontal

equity and perception towards government spending and trust have a significant influence on tax compliance intention.

Palil (2010), Benk and Budak (2011), and Battiston and Gamba (2016) suggested the moral and social pressure a taxpayer receives from one's family, friends, one's values and beliefs, as well as the peers' pressure influence their tax compliance intention. This finding can also support the previous research by (Alm, 2018; Atawodi & Ojeka, 2012; Kariuki & Zachary, 2019), that being audited or penalised positively impact taxpayers' tax compliance intention. Also, tax knowledge was proved to have a positive influence on the tax compliance intention of SMEs. This can support the findings of the previous studies conducted by Oladipupo and Obazee (2016), Atawodi and Ojeka (2012), and Kariuki and Zachary (2019), which state the positive relationship between tax knowledge and tax compliance intention.

CONCLUSIONS AND IMPLICATIONS

According to the study's findings, tax compliance is wide and complex. Among the several determinants that influence the tax compliance influence of SME taxpayers, independent variables selected for the study proved to have a collective positive influence on the tax compliance intention. As regulatory pressure and tax knowledge of the SME taxpayers were found to have a significant positive impact on tax compliance intention, the normative force was also proved to positively influence the tax compliance intention. And surprisingly, equity attitude (perception towards fairness) had no significant influence on the tax compliance intention of SMEs. Therefore, public policymakers need to use persuasive methods (changing attitudes and norms) and conventional coercive methods (subjective control) to encourage voluntary tax compliance.

Tax education and conducting seminars are relatively low in Sri Lanka compared to developing and developed countries. As the study proved the positive influence of SME taxpayers' tax knowledge on tax compliance intention, it is suggested to conduct seminars and other suitable methods to improve the tax knowledge of taxpayers to increase voluntary tax compliance. As the researcher faced the problem of limited literature regarding the topic in the Sri Lankan context, this study will help enhance the literature regarding SMEs' tax compliance intention, especially in the Sri Lankan context. In addition, this study will be helpful to future researchers who aim to find the determinants of SME tax compliance intention in Sri Lanka using TPB as a theoretical framework.

Keywords: Equity attitude, normative pressure, regulatory pressure, tax compliance intention, tax knowledge

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IMPACT OF BEHAVIORAL FACTORS ON INVESTORS' INVESTMENT DECISIONS OF COLOMBO STOCK EXCHANGE

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INTRODUCTION

Capital markets are an essential part of the financial sector of modern economies and even more in emerging economies. Well-developed capital markets promote economic growth through increased savings and mobilization, access to external savings, the spread of financial risk, and the facilitating role in converting savings into investments. The people of the society act as two groups called investors and savers. They tend to spend their savings in various investing ways depending on their level of financial literacy and risk-taking ability. Among an investment portfolio, risk-taking investors like to invest their money in the stock market rather than invest in savings accounts like risk-averse individuals (Rathnayake et al., 2014). When it comes to investors, there are two types of investors: institutional and retail investors. Retail investors, also known as individual investors, are the leading role players in the stock market. Examining their behavior in the stock market is essential for academic and professional purposes (Akbar et al., 2016). Accordingly, individual investors' decision on the stock market plays a vital role in determining the market trend, which then affects the economy (Rathnayake et al., 2014). To understand and provide an appropriate explanation for the investors' decisions, it is imperative to explore which behavioral factors influence investors' decisions in the stock market. Individual investors make their financial decisions according to their perspectives. As a result, behavioral finance is considered worldwide (Akbar et al., 2016). Market anomalies and irrational behavior cause investors' changes in the stock market, which has led to an investigation into the impact of various behavioral biases and factors affecting decision-making for individual investors. Although, a thorough analysis of individual investor behavior helps to mitigate the risk associated with the investment decision and, in turn, investment in the stock markets.

Numerous financial theories assume people make rational decisions and use all available information when investing. However, when conventional financial theory fails to provide adequate explanations for investor behavior, behavioral finance has been developed to help. Determining which behavioral factors are more critical when making an investment decision has not been entirely resolved by studies in this modern field. On the other hand, different researchers have yielded inconclusive findings, creating a vacuum for further studies. Therefore, researchers expected that this study would enrich awareness in this domain. Consequently, the main objective of this study was to explore the impact of behavioral factors on investors' decisions at the Colombo Stock Exchange (CSE). The representativeness, overconfidence, and anchoring were identified as the proxies of the independent variable, whereas investment decisions were identified as the dependent variables of the present study. This study will contribute significantly to developing this field in the Sri Lankan context.

However, the study begins with the existing theories in behavioral factors, based on which hypotheses were proposed.

METHODOLOGY

The conceptual framework presented in Figure 01 indicates the relationship between the dependent and independent variables proposed in the present study.

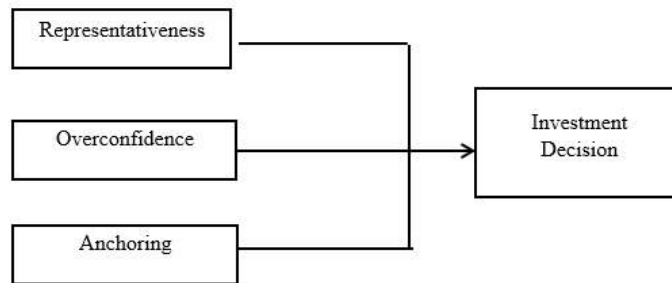


Figure 1 Conceptual Framework of the Study

Accordingly, three behavioral factors, representativeness, overconfidence, and anchoring, have been selected as the independent variables where investment decision was the study's dependent variable. The current study was a deductive and quantitative type study. The population of this study was the registered individual investors in CSE in Sri Lanka. However, with the time limitation, the study's sample size ended with 160 individual investors in the CSE. The researchers used the convenience sampling technique to select the sample for this study. Accordingly, the study's unit of analysis was an individual investor in the CSE in Sri Lanka. The following three hypotheses were developed based on the existing literature and tested during the present study, aligning with the study's objective.

H₁: There is an impact of representativeness bias on investment decisions making of individual investors in CSE.

H₂: There is an impact of overconfidence bias on investment decisions making of individual investors in CSE.

H₃: There is an impact of anchoring bias on the investment decisions making of individual investors in CSE.

This research study mainly depended upon the primary data collection method, which was collected using a survey questionnaire. The primary data collection procedure was a structured questionnaire based on a five-point Likert scale. The gathered data were analyzed using descriptive statistics, correlation analysis, and multiple regression analysis. Apart from these primary analyses, data screening and cleaning were carried out using normality tests and reliability (Cronbach's Alpha) tests.

RESULTS AND DISCUSSION

The Cronbach's Alpha values of the reliability test were more significant than the standard value (the most negligible value was 0.748, and the highest value was 0.810), confirming the

continuation suitability for the primary analyses. The findings of the main analyses were tabulated in following tables.

Table 1 Result of Descriptive Statistics

	Mean	Std. Deviation	Skewness	Kurtosis
Overconfidence	4.002	0.650	-0.765	0.476
Representativeness	4.141	0.634	-0.795	0.980
Anchoring	4.138	0.574	-1.006	2.684
Investment Decisions	4.161	0.556	-0.580	0.141

Table 1 indicates that the average overconfidence is 4.002, with the standard deviation of 0.650 and high relative importance. The other two independent variables, representativeness, and anchoring, also have high relevance importance with mean values of 4.141 and 4.138 with standard deviations of 0.634 and 0.574, respectively. The mean value of investment decision is 4.161, whereas the standard deviation of it is 0.566.

Table 2 Result of Correlation Analysis

Variables	Overconfidence	Representativeness	Anchoring	Investment Decisions
Overconfidence	1.000			
Representativeness	0.593**	1.000		
Anchoring	0.691**	0.670**	1.000	
Investment Decisions	0.633**	0.584**	0.704**	1.000

Note: N = 160, **, Significant at the 0.01 level (two-tailed).

As per Table 2, the correlation coefficients of each variable are significant at the 0.01 level. The coefficient value of 0.633 for overconfidence and investment decisions is positive and significant, while the other two variables' associations are also positive and significant at a 0.01 level.

Table 3 indicates the result of the regression analysis. According to the table, it is revealed that all the independent variables indicate a statistically significant and positive impact on the investment decisions of the sample companies. The present findings are more consistent with the previous findings in the field.

Table 3 Results of Regression Analysis

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	1.035	0.231		4.482	0.000
Overconfidence	0.210	0.066	0.245	3.197	0.002
Representativeness	0.127	0.066	0.145	1.942	0.004
Anchoring	0.424	0.081	0.438	5.261	0.000

R	0.741
R ²	0.548
Adjusted R ²	0.540
F	63.149
Sig.	0.000

The study of Bakar and Amelia (2016) examined the impact of psychological factors, namely overconfidence, conservatism bias, herding effect, availability bias, and investment decision-making in the Malaysian Stock Market and reported that overconfidence has a significant positive effect on investment decision-making in the Malaysian Stock Market. The present study results also show that overconfidence positively impacts investment decision-making in the CSE. Thus, this study's first hypothesis (H₁) was supported.

The second hypothesis (H₂) formulated in the present study was also supported by reporting a positive and significant influence of representativeness on investment decisions. The study's finding goes hand in hand with the result of Kartini and Nahda (2021). The result confirms that investors tend to make decisions based on limited information from their surroundings and ignore other information or significant events that may happen in the future. A study by Luong and Ha (2011) found a positive and significant impact of Anchoring on investment decisions, which is consistent with the present finding. Accordingly, the third hypothesis (H₃) developed in the study was also supported. At this juncture, it can be concluded that the behavioral factors of individuals impact their investments' decision makings positively.

CONCLUTIONS AND IMPLICATIONS

According to recent studies on individual investors, people seem to react to and perceive the same information differently, which results in psychological biases known as behavioral finance. While behavioral finance maintains that investors cannot access all types of information but behave irrationally, suggesting that some cognitive prejudices may influence their investment decision, traditional financial theories assume that investors are rational and possess all types of information when making an investment decision. Consequently, the study aimed to determine how these behavioral characteristics affect investors' investment choices. This study used three behavioral factors: representativeness, overconfidence, and anchoring. The findings reveal that behavioral factors positively influence an investment decision.

In uncertainty, overconfidence can be helpful for investors to do complex tasks and help them forecast and forecast future trends. The findings further showed that representativeness has an impact on investment decisions. Therefore, individual investors at the CSE should increase representativeness, the quality of investment decisions, and perceived market efficiency decrease. The results indicated that behavioral anchoring factors also have a significant and positive effect on the stock decision of individual investors in the CSE. In conclusion, investors follow a rational decision-making process, while psychological factors are also involved in their investment behavior. Individual investors in the market should take educational courses on behavioral biases that affect investment decision-making in order to be able to manage their portfolios. Professionals in consulting and investment management should be exposed to behavioral factors through workshops and seminars so that when decisions have been taken, behavioral finance tendencies will reduce. Fund managers and

investors should apply collective views on investment as this tends to reduce individual personal biases on an investment. The formation of committees could be employed, though the use of committees has implications. In this sense, practitioners studying behavioral factors should learn to recognize their own mistakes and those of others, understand those mistakes, and take steps to avoid them. The research will also add to the knowledge body by enhancing the existing financial literature. Researchers and future academics may utilize the research as a learning tool to deepen their understanding of behavioral finance.

Keywords: Behavioral factors, investment decisions, individual investors

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**IMPACT OF CORPORATE GOVERNANCE ON FIRM'S CAPITAL STRUCTURE:
EVIDENCE FROM LISTED BANKS AND DIVERSIFIED FINANCIAL
COMPANIES IN SRI LANKA**

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INTRODUCTION

Associations among corporate governance (CG), management turnover, corporate performance, and corporate capital structure have been established by various theoretical and empirical techniques in the substantial body of theoretical and empirical literature in Accounting and Finance (Achchuthan et al., 2013). CG refers to the processes, customs, policies, laws, and organizations affecting a corporation's direction (Ajanthan, 2013). The CG system of organization tools, property rights structures, use of accounting standards, and a legal system that resolves disputes in contracts, protects consumers, promotes competitive advantage, and strengthens the firm's ownership structure (Tanui et al., 2021). In this notion, reasonable CG procedures are crucial for a country's economy to expand and develop sustainably. Mainly, nations that have adopted sound CG procedures typically saw a brisk expansion of their corporate sectors and have improved abilities to attract capital to lubricate their economies. Furthermore, effective governance enhances a company's performance by lowering the cost of capital and creating and sustaining a corporate culture that encourages management to act in ways that maximize shareholder wealth (Sheikh & Wang, 2011). Accordingly, managers can use debt to equity effectively to bind their pledges to pay out future cash flows. As a result, debt can be a good alternative for dividends. However, this problem is rarely discussed in the finance and accounting literature. When firms make strategic decisions like issuing debt in return for equity, they should be held accountable for paying interest from future cash flows (Achchuthan et al., 2013). Examining CG practices in the Sri Lankan context is more crucial because there have been numerous CG issues in the past five years in Sri Lankan firms. CG, the primary internal governing body of a firm, is essential to the smooth operation of any business. In such a scenario, investigating the impact of CG on the capital structure decision will add value to the extant literature. Additionally, the association's findings were inconclusive, which leaves a potential for further research on this topic. Additionally, limited studies examined the relationship between disclosure of CG and capital structure in listed banks and diversified financial sector firms. Most researchers ignored this sector when they studied the impact of CG disclosure on capital structure. However, this sector is pivotal in the Sri Lankan financial system. So, considering this sector for the present study would be worthwhile. On the other hand, empirical evidence of this relationship has ended with inconclusive findings locally and globally. Thus, still, there is room for conducting a study on the theme. At this juncture, the present study attempts to fill the above mentioned gaps by illuminating the significant link between CG and firms' capital structure in listed banks and diversified financial sector firms in Sri Lanka. The study has a few inevitable limitations. Mainly, the study was limited only to listed banks and diversified

financial sector firms which will not be able to generalize the findings of this study to the rest of the listed sectors or non-listed companies in Sri Lanka. With the time constraints, the study was confined to selected CG characteristics. Therefore, future researchers can strengthen the study by addressing these limitations accordingly.

METHODOLOGY

This study used the deductive approach as the research approach where the quantitative analyses were performed. For the CG characteristics, board size (BS), board independence (BIND), CEO duality (DUAL), board meeting (BM), and board committee (BC) were used. In contrast, the debt-to-equity ratio (DE ratio) was used as the proxy for capital structure. Additionally, firm size (FS) and return on assets (ROA) were used as this study's control variables. The population of this study consisted of 66 firms in banks and diversified financial companies listed on the Colombo Stock Exchange. Although banks and diversified financial sector companies have been identified as having a substantial impact on the Sri Lankan economy, they have been disregarded in most previous studies. As a result, banks and diversified financial companies were chosen for the study. As on 12th March 2022, there were 16 banking and 50 diversified financial companies, and all of these companies were selected as the study's sample. The period considered in the present study was the recent five years from 2016 to 2021, which resulted in 330 observations. The primary data source of this study was secondary, which was extracted through the audited financial statements of the selected companies. The collected data was analyzed by using the statistical software package of E-views. Descriptive statistics were performed to identify the CG practices, including mean, maximum, minimum, and standard deviation, along with kurtosis and skewness. Data screening and cleaning were carried out before the primary analyses and confirmed the suitability of the data for the primary analyses. Apart from the descriptive statistics, correlation analysis and regression analysis on panel data were employed to achieve the study's objective.

RESULTS AND DISCUSSION

According to Table 1, the mean value of the DE ratio is 5.12, which indicates the average ratio of the debt capital usage of the sample companies is 512%, its standard deviation is 4.14, and SD indicates that data is more spread out. BS of a company ranges from 5 to 15, with a mean value of 8.49. More than half of companies (0.56) maintain the separation of leadership from the CEO's position.

Table 1 Result of Descriptive Statistics

	Mean	Maximum	Minimum	Std. Dev.	Skewness	Kurtosis
DE ratio	5.12	21.05	-1.13	4.14	0.49	2.91
BS	8.49	15.00	5.00	2.47	0.52	2.40
BS (Ln)	2.10	2.71	1.61	0.29	0.08	2.01
BIND	0.40	0.89	0.00	0.15	0.77	3.82
DUAL	0.56	1.00	0.00	0.50	-0.25	1.06
BM	10.54	25.00	2.00	4.41	-0.29	2.94
BC	4.73	11.00	2.00	1.85	1.05	3.94
FS (Ln)	20.06	26.08	13.37	3.66	-0.16	1.82
ROA	0.07	0.40	-0.60	0.08	-3.22	27.15

The correlation coefficient between BS (Ln) and DE ratio was 0.48 and was significant at 0.01 ($p=0.01$), as shown in Table 2. Therefore, it can be said that the correlation between BS and capital structure was moderately positive and significant. The correlation between the DUAL and DE ratio was 0.390, significant at 0.01 ($p<0.01$). Therefore, it can be concluded that there was a moderate positive and significant correlation between DUAL and capital structure. The correlations between the DE ratio and other CG characteristics except for BIND indicated a significant association at a 0.01 level.

Table 2 Result of Correlation Analysis

	DR	BS	BIND	DUAL	BM	BC	FS	ROA
DE ratio	1.00							
BS	0.48**	1.00						
BIND	0.05	-0.07	1.00					
DUAL	0.39**	0.29**	0.16**	1.00				
BM	0.64**	0.40**	0.14**	0.46**	1.00			
BC	0.60**	0.62**	0.17**	0.41**	0.54**	1.00		
LNFSIZE	0.51**	0.27**	0.07	0.48**	0.66**	0.33**	1.00	
ROA	0.26**	0.15*	-0.01	0.13*	0.35**	0.14*	0.39**	1.00

Note: N = 330, ** Correlation is significant at the 0.01 level and the * Correlation is significant at the 0.05 level respectively (2 – tailed).

The panel regression was run to achieve the study's objective. Accordingly, the Hausman test was employed to select the appropriate specification between the fixed-effect and random-effect models. The null hypothesis of the Hausman test indicates that the random-effect model is more appropriate than the fixed-effect model. When the p-value exceeds the significant value (0.05), it accepts the null hypothesis and concludes that the random-effect model is more appropriate. The results provided in Table 3 show a significant p-value with a larger Chi-sq. value (20.38; < 0.01) which rejects the null hypothesis of random effects. Hence, it was confirmed that the fixed effect was the fitting model to explore the relationship between CG characteristics and capital structure.

Table 3 Result of Regression Analysis

Variable	Model 01 (Fixed Effect Model)		Model 02 (Fixed Effect Model)	
	Coefficient	Prob.	Coefficient	Prob.
C	5.11	0.09	2.11	0.62
BS	-1.23	0.21	-1.18	0.23
BIND	3.72	0.02	3.74	0.02
DUAL	1.45	0.47	1.45	0.47
BM	-0.06	0.48	-0.05	0.54
BC	0.38	0.09	0.35	0.12
FSIZE	-	-	0.15	0.33
ROA	-	-	-1.83	0.31
R-squared	0.86		0.86	
Adjusted R-squared	0.83		0.83	
Hausman Test Summary	Chi-Sq. Statistic		Prob.	
Cross-section Model 01	27.06		0.00	
Cross-section Model 02	20.38		0.01	

As per Table 3, one of the selected CG variables significantly impacted the dependent variable. Only independent variables are included in model 01, and independent and control variables are included in model 02. Consequently, the study's results revealed a positive and significant impact of BIND on the DE ratio, which was consistent with the findings of the extant literature (Abor, 2007; Ajanthan, 2013; Bokpin & Arko, 2009; Feng et al., 2020; Guo & Kga, 2012; Abdullah, 2004; Sheikh & Wang, 2011). This finding implies that a board with more independent directors can actively monitor the management, forcing it to make decisions that maximize shareholder wealth. The current finding, however, contrasts with previous studies, which reported an insignificant impact of BIND on the DE ratio (Al-Saidi, 2020). BC positively impacted the DE ratio in model 01, whereas it did not report a significant impact in Model 02. Surprisingly, none of the other independent (BS, DUAL, and BM) or control variables

FSIZE and ROA indicated a significant impact on the DE ratio. As a result, the hypotheses made concerning these variables were not supported. Finally, this research finding presented an insignificant impact of CG on a firm's capital structure of listed banks and diversified financial companies in Sri Lanka.

CONCLUSIONS AND IMPLICATIONS

This study investigated the impact of CG on the capital structures of listed banks and diversified financial companies in Sri Lanka. BIND showed an effect on capital structure from the five selected independent variables, whereas others have no impact on the capital structure of the selected companies. The impact of BIND is positively significant on capital structure. The findings imply that because of efficient monitoring, banks and diverse financial companies find it advantageous to make loans under favourable conditions to companies with more independent directors. Therefore, banking and diversified financial companies should value independent directors' influence. Overall, the study's findings reported no substantial impact of CG on the capital structure of listed banks and diversified financial companies in Sri Lanka.

Keywords: Bank and diversified financial companies, capital structure, corporate governance.

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IMPACT OF EMOTIONAL INTELLIGENCE ON INVESTMENT DECISIONS OF INDIVIDUAL STOCK MARKET INVESTORS

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INTRODUCTION

Emotional intelligence is the human ability to understand a human's own emotions and manage them in positive ways for minimized stress. When investors make decisions, emotional intelligence is considered a tool to solve decision-making problems as they influence decisions. Psychological theories are the theories of explaining certain aspects of humans' thoughts, behaviours, and emotions. There are four types of psychological theories; cognitive theories, behavioural theories, personality theories, and social psychological theories. Behavioural finance is a critical component of psychological theory. Behavioural theory is the most closely related to the day-to-day life activities of humans. Emotional intelligence is a recent development in behavioural theory. Humans can make decisions by identifying and understanding their own emotions, which has helped minimize conflicts regarding the decision-making process. Investment decisions are the process of investors making decisions on how their funds are to be invested into different assets so that investors focus on the highest return. If investors do not have emotional intelligence, they can make wrong decisions. In considering the international context, there are mixed findings on emotional intelligence with investment decisions and mixed results with emotional intelligence variables with investment decisions. Considering the Sri Lankan context, there has been a shortage of studies on the impact of emotional intelligence on individual investment decisions. However, there are several studies on emotional intelligence in other disciplines; academic performance, bank performance, organizational performance, and job performance. Thus, this study examines the impact of emotional intelligence on the investment decisions of individual stock market investors.

METHODOLOGY

This study was based on the quantitative research method. The structured questionnaire was used to collect data consisting of previous studies. Google form was sent to more than 350 individual investors who are invested Colombo Stock Exchange (CSE), and 200 responses were received. The respondent rate is 57% percent of respondents. This structured questionnaire is based on a five-point Likert scale. Firstly the researcher drafted the initial questionnaire. Then, a questionnaire was given to the two experts in the academic field for their opinion. Then the researchers revised the questionnaire based on that expert's views. Then, a pilot survey was performed with ten investors in the CSE, which was refined based on expert opinions and the finer points learned from a pilot survey.

Emotional intelligence is the independent variable, and the dependent variable is investment decisions in this study. Self-awareness, self-management, relationship management, and social awareness are the four measures of emotional intelligence. Herding, loss aversion, overconfidence, mental accounting, and investor sentiment are the measuring variables of investment decisions. The data was analyzed using reliability, validity, descriptive, correlation, and multiple regression analysis. The model of this study is as follows:

$$ID_{it} = \beta_0 + \beta_1 SA_{1it} + \beta_2 SM_{2it} + \beta_3 RM_{3it} + \beta_4 SoA_{4it}$$

ID: Investment decisions

SA: Self-awareness

SM: Self-management

RM: Relationship management

SoA: Social awareness

RESULTS AND DISCUSSION

Initially, the researchers did data screening and cleaning to identify mistakes. Then after, the researchers analyzed the collected data. According to reliability analysis, Cronbach's alpha value was recorded as more than 0.5 for all variables. Therefore, this research tool is accepted for further analysis. According to descriptive analysis, the mean values of all variables were recorded as more than 1.5. Further, normality and multicollinearity were ensured. According to correlation analysis, there is a strong positive relationship between self-awareness, self-management, relationship management, and social awareness with investment decisions. The hypotheses of the study were tested by using multiple regression analysis. Table 1 shows the regression analysis model summary test.

Table 1 Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Sig. F Change
1	0.826 ^a	0.682	0.675		0.209	0.000

a. Predictors: (Constant), Social awareness, Relationship management, Self-management, Self-awareness

b. Dependent Variable: Investment decisions

Table 2 Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.174	0.078		2.234	0.027
SA	0.303	0.064	0.307	4.726	0.000
SM	0.135	0.062	0.138	2.184	0.030
RM	0.146	0.055	0.151	2.653	0.009
SoA	0.316	0.051	0.360	6.202	0.000

Table 2 shows a significant impact of self-awareness on investment decisions ($P < 0.05$).

Raheja and Dhiman (2016) and Asamoah et al. (2021) found a significant impact of self-awareness on investment decisions. However, Tanvir et al. (2016) found that there is an insignificant impact of self-awareness on the investment decisions of individual stock market investors.

Further, self-management significantly impacts investment decisions ($P < 0.05$). Results indicated a significant impact of relationship management on investment decisions. However, Tanvir et al. (2016) found an insignificant impact of relationship management on investment decisions. Furthermore, social awareness significantly impacts investment decisions ($P < 0.05$). According to Table 1, R square value, the researchers found a significant impact of emotional intelligence variables on investment decisions, showing a good prediction level.

CONCLUSION AND IMPLICATIONS

The study's main objective is to examine emotional intelligence's impact on investment decisions. Extant studies found mixed findings on emotional intelligence with investment decisions in an international context. Moreover, there is a shortage of studies on emotional intelligence with investment decisions in the Sri Lankan context. This study fulfilled the gap in the Sri Lankan context to some certain extent. The finding of this study revealed that there is a significant impact of emotional intelligence on investment decisions. According to the findings, the study delivers valuable insight for individual investors, the government, financial institutions, and policymakers. The financial advisor and issuing companies can identify the various emotions and investors' behaviours before offering any securities in the stock market. Individual investors can control their own emotions and improve them to obtain better investment returns in the future. Financial advisors need to understand each investor's emotions before analyzing the market. Therefore, this study delivers value for them. The purpose of this study is to examine the impact of emotional intelligence on the investment decisions of individual stock market investors. So, researchers could not examine the emotional intelligence of all individual investors in the Sri Lankan context. This study's scope is to examine emotional intelligence in the Sri Lankan context of investors. So, this study could not examine the investor's emotional intelligence in the international context. Emotions are a more powerful aspect of human life. Moreover, investors need to control their own emotions correctly. If the investors are based on only their self-beliefs, convictions, information, and emotional perceptions alone, they cannot make better investment decisions. Therefore, researchers recommended that investors get consulting services from financial and investment experts. Investors can make investment decisions without emotional bias if they have appropriately analyzed. It is recommended that investors improve their financial literacy.

Keywords: Colombo Stock Exchange, emotional intelligence, individual investors, investment decisions.

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IMPACT OF FRAUD PREVENTIVE MEASURES ON CORPORATE GOVERNANCE: EVIDENCE FROM SRI LANKA

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INTRODUCTION

Fraud has persisted for many decades, and over the last two decades, numerous significant financial scandals have arisen worldwide, including the Enron, WorldCom, and Satyam scandals (Carozza, 2002). In Sri Lanka, multiple such manifestations were visible throughout the period, and there is a need for some mechanisms or tools to detect and prevent such occurrences. Despite being a lower middle-income country, Golden Key, Pramuka Bank, Ceylinco Group, ETI finance, and the bond fraud were the most eminent corporate scandals in Sri Lanka. Nevertheless, per the Association of Certified Fraud Examiners (ACFE) (2016), the quantity of fraud and the number of enterprises affected by fraud is increasing yearly. These ever-increasing frauds continue despite controls and Corporate Governance (CG) laws. This study explores the impact of fraud preventive measures on audit and risk committees and the senior management of Banks, Diversified Financials, and Insurance companies listed on the Colombo Stock Exchange (CSE). This study was conducted at the firm level, where at least one individual replies on behalf of the organization. The Forensic Accounting preventive role (FAP) will act as a mediating variable here. GC refers to the processes and procedures that enable businesses to deliver better results for their shareholders. There have been numerous historical instances where corporations have displayed weak corporate governance, resulting in losses and a bad reputation. Forensic accounting might be regarded as a breakthrough in fraud detection and prevention (Bhasin, 2013).

FAP can play a critical role in fraud prevention and CG (Siregar & Tenoyo, 2015), as the majority of frauds can be averted if forensic accounting is made a mandatory. FAP also aids in the prevention of financial crises, not just for individual organizations but for the entire economy (Shapiro, 2012). Fraud Risk Assessment is a significant aspect of fraud risk management and a key component in achieving CG (Singleton & Singleton, 2010). According to Law (2011), FAP is concerned with the risks that are directly related to fraud, as well as their impact and likelihood of occurring. Perera and Undugoda (2020) According to the 2016 Global Fraud Survey conducted by the ACFE, firms worldwide lose roughly 5% of their annual income due to fraud. Multiplying the ACFE percentage of loss due to fraud by Sri Lanka's gross domestic product (GDP) would result in a yearly cost of over US\$4.07 billion (Sri Lankan Rupees 591.95 billion) Sri Lanka ranked 89th out of 176 nations in the 2018 corruption perception index, according to Transparency International Sri Lanka in 2017.

Hence, there is limited research on the Impact of Fraud Preventive Measures on CG references in Sri Lanka. This study is directed to find retorts to this problem, which is to regulate the

distinctive influence of Fraud Risk Assessment (FRA) on Corporate Governance alongside using FAP as the mediating variable. The conceptual framework and methodology used in this study are described in the following section. The analysis findings are then presented, followed by a discussion. The final section explains the conclusions reached.

METHODOLOGY

This study uses a descriptive cross-sectional survey design and the quantitative research method approach to identify the relationship between Fraud Preventive Measures and Corporate Governance (CG). The study targeted publicly listed companies in Sri Lanka, mainly Banks, Diversified Financials, and Insurance companies listed in CSE. The targeted respondents were from the Board of Directors, Audit and Risk Committee, Remuneration Committee, and Senior Management. The study purposively selects respondents from 60 companies. The stratified sampling technique was used in the study because it provides all the study population components with a fair and equal chance of being selected and used as a study sample. The primary data collection method was used to collect data for this study. Data were collected using a questionnaire. The conceptual framework, shown in Figure 1 below, was created using the results of a comprehensive literature review.

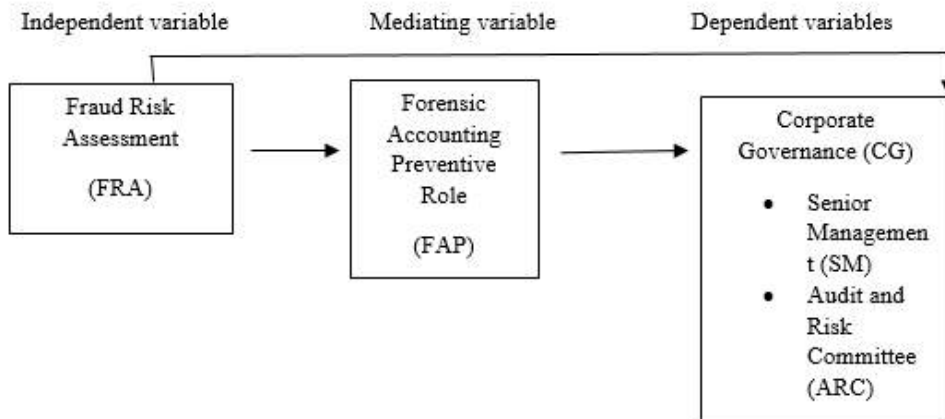


Figure 1 Conceptual Framework

Accordingly, the following hypotheses were developed.

- H₁: There is a significant relationship between FRA and CG.
- H₂: There is a significant relationship between FAP and Corporate Governance.
- H₃: There is a significant relationship between FRA and FAP.

The Likert five-point scale, Model evaluation measurement model, and Model evaluation structural models were used to operationalize the selected dependent, independent, and mediating variables. The respondents' responses were measured using a five-point Likert scale, ranging from strongly agree to disagree. A questionnaire was adapted and taken from past studies for this research. Respondents have requested a total of 34 questions, including three demographic questions. FRA is measured by the questions focused on poor fraud management, poor fraud assessment, poor internal controls, a lack of ethical values, and inadequate background checks on new workers. The ARC is evaluated based on the number

of times the audit and risk committee meetings, in addition to strategic planning and performance targets. The presentation of a code of conduct, an emphasis on the code of conduct, encouragement to report illegal or wasteful acts, and the viewing of corrective actions are all utilized to determine SM. In order to evaluate FAP, updated internal control systems, employing forensic accounting in the process of uncovering frauds, having poor fraud assessment, having poor internal controls, having inadequate background checks on prospective employees and vendors, having management override the controls, having strengthened corporate governance, and having failed to comply with statutory audits that performed were considered. Data was obtained using an internet-based method, and PLS-SEM was used for analysis.

The structural model can be assessed when the validity and reliability of the measurement model have been confirmed. Multi-Collinearity occurs in the model when VIF values are five and above for specific indicators. For assessing path coefficients, the t value > 2.33 (one-tailed) and p-value < 0.05 should adhere. The path connection testing is used to assess the predictive capabilities of the structural model (Hair et al., 2017).

RESULTS AND DISCUSSION

Table 1, when considering the descriptive analysis, shows that CG receives the highest score with a mean of 4.555. It depicts that ARC and SM impact enhancing the efficiency and productivity of CG. The mean value of FAP as the mediating variable is 4.467, which is higher than the mean value of FRA, depicting 4.406. Therefore, FAP has a more impact on CG than FRA. Overall conferring to the table, the mean of all the variables falls under the range of $4.0 < X < 5$. This means all the respondents agree with the variables, which depicts research variables that the respondents regard are good levels.

Table 1 Descriptive statistics

Variable	Mean	Std. Dev
CG (Dependent Variable)	4.555	0.585
FAP (Mediating Variable)	4.467	0.649
FRA (Independent Variable)	4.406	0.727

For the evaluation of the measurement model, as shown in table 2, PLS-SEM was used in accordance with the guidelines and standards provided by Ramayah et al. (2016). Eight (8) questions were eliminated because all indicators or questions had values below 0.5. Cronbach's Alpha is used to do a reliability analysis for the scales. Cronbach's Alpha's dependability coefficient often falls between 0 and 1. Greater or equal to 0.80 for a good scale, 0.70 for an acceptable scale, and 0.60 for an exploratory scale, according to Manley et al. (2021). In a reflective model, composite reliability is favored over Cronbach's Alpha as a convergent validity test. AVE represents the average commonality for each latent factor in a reflective model.

Composite reliability (CR) and AVE for CG are 0.876 and 0.506, respectively, whereas AVE and CR for FRA are 0.642 and 0.899, and AVE and CR for FAP are 0.559 and 0.926,

respectively. Indicators that are measured and reflect constructs are related in a way called outer loading. Mentioned that AVE and CR satisfied the requirement for the measurement model's adoption (Ramayah et al., 2016).

Table 2 Assessment of Measurement Model

Variable	Cronbach's Alpha	CR	AVE
CG (Dependent Variable)	0.836	0.876	0.506
FAP (Mediating Variable)	0.912	0.926	0.559
FRA (Independent Variable)	0.860	0.899	0.642

Since all the evaluation requirements for measurement, models were satisfied, and it is now possible to evaluate the structural model. Collinearity, coefficient of determination (R^2), effect size (f^2), and path coefficient were assessed for the structural model. The outcome of the collinearity assessment shows that the values of VIF for FAP and CG are 1 and 2.649, respectively; thus, multi-collinearity is not a problem. Multi-collinearity develops in a model when VIF values for particular indicators are five or higher, according to Garcia-Carbonell et al. (2015).

Table 3 The Significance of Direct Effect – Path Coefficients

Relationship	Beta (O)	Standard Error (STDEV)	T Statistics (O/STDEV)	P Values	R^2	F^2
FRA ∇ CG	-0.421	0.327	1.301	0.193	0.499	0.133
FAP ∇ CG	0.989	0.235	4.210	0.000		0.737
FRA ∇ FAP	0.789	0.101	7.792	0.000	0.623	1.649

Note: ** $p < 0.05$ ($t > 1.645$); *** $p < 0.01$ ($t > 2.33$) (One Tail)

According to table 3, the relationship of FRA to CG is indirect; hence the beta value is negative. The relationship of FAP to CG and FRA to FAP is directly due to the positive effect of beta value. Additionally, the connection between FRA and CG is not significant since the t-values are lower than 2.33 and the p-values are more significant than 0.01; nevertheless, the relationship between FAP and CG and also the relationship between FRA and FAP is significant because the t-values are higher than 2.33 and the p-values are less than 0.01.

As shown in Table 4, the direct effects beta is -0.421, its t value is 1.307, and its p-value is more than 0.05, indicating that FRA CG is not statistically significant. The FRA has a strong indirect influence, or the link is wholly indirect, or complete mediation, as indicated by the indirect effect beta of 0.780 with a t value greater than 2.58 and a p-value less than 0.05. Complete mediation occurs when there is no central direct relationship, but there is a significant indirect relationship (Manley et al., 2021).

Table 4 Direct and indirect significance

Relation	Beta-Direct Effect	t value	Significance ($p < 0.05$)	Beta-Indirect Effect	t value	Significance ($p < 0.05$)
FRA ∇ CG	-0.421	1.307	No	0.780	3.126	Yes

Note: * $p < 0.05$ ($t > 1.96$); ** $p < 0.01$ ($t > 2.58$) (based on two-tailed test), Bootstrapping (n=5000)

As per the results, the connection between FRA and CG is insignificant since the t-values are lower than 2.33 and the p-values are more significant than 0.01. Therefore, it can be concluded that there is no significant relationship between the two variables under consideration. The study's findings merely run contrary to some earlier literature. According to Rehman and Hashim (2020b), there is a significant relationship between FRA and GC. However, Rehman and Hashim (2020a) discovered an insignificant relationship between FRA and CG, and FAP is taken to mediate the relationship. As a result, FRA is not significant in having a relationship with GC. Therefore, H₁ is considered unsupported.

However, after the bootstrapping process, the indirect impact beta of 0.780 with a t value larger than 2.58 and a p-value less than 0.05 suggests that the FRA has a significant indirect influence or that the link is entirely indirect or complete mediation. Full mediation takes place when there is a significant indirect tie but no significant direct relationship. The relationship between FAP and CG is significant since the t-values are higher than 2.33 and the p-values are lower than 0.01. So here, the H₂ can be taken as supported as the results. According to earlier literature, Rehman and Hashim (2020) have clearly stated a significant relationship between FAP and CG. Moreover, Bhasin (2013) has proved in his studies that there is a significant relationship between FAP and CG. So, we can clarify with these studies that it is evident that the relationship between FAP and CG is significant.

As per the final results, the relationship between FRA and FAP is significant as the t-values are higher than 2.33, and the p-values are lower than 0.01. Therefore, the H₃ can be clarified as supported. Rehman and Hashim (2020a) have mentioned a significant relationship between FRA and FAP. Also, Popoola et al. (2016) have mentioned that the relationship between FRA and FAP is significant. So as the final outcome depicts that there's a significant relationship between FRA and FAP.

CONCLUSIONS AND IMPLICATIONS

This study aimed to discover the impact of fraud preventive measures on corporate governance: evidence from Sri Lanka. The researcher uses a quantitative research design to accomplish the study's objectives. The study was conducted by distributing a well-structured questionnaire to personnel working in banks, diversified financials, and insurance companies listed in CSE. The questionnaire was mainly created using prior literature. The survey instrument was sent via the internet for suitable personnel. The researcher could collect 60 responses that were used in the statistical analysis. Then, by utilizing PLS-SEM, the collected data were investigated using various statistical techniques, including descriptive and inferential approaches. The study's finding shows no significant relationship between FRA and CG, resulting in H₁ being unsupported. However, H₂ is considered supported, resulting in a significant relationship between FAP and CG, and H₃ is also considered supported, resulting in a significant relationship between FRA and FAP. It implies that the business can change its rules and codes by adding FAP as a stable component and part of the government control system, helping to build anti-fraud rules, spot fraud early, and stop it in its tracks. It can also help lower the cost of fraud. Thus, forensic accounting can be used as a preventive tool for potential unanticipated corporate catastrophes.

The study has some limitations, such as the fact that it only focused on a specific subset of CSE companies; more private companies would have enhanced the results, but doing so would have been outside the study's purview. Additionally, this study does not address fraud-related education, which could impact how well people grasp the FRA's function and mode of operation. This research significantly advances management practices globally, not only in Sri Lanka. The sample that the researcher has taken only from banks, diversified financials, and insurance companies, not only locally, is transforming into a fundamental requirement on a global scale. In addition, fraud affects organizations across all industries instead of companies listed in CSE. For the preceding and many other likely reasons, FAP is necessary for developing and maintaining internal controls, and FRA is necessary for preventing fraud. The results of this study will be valuable in helping regulators create specific standards that can show how firms can achieve CG.

The study's range can be expanded for future research topics by incorporating more than one respondent from each company, and responses can be obtained from all significant CG members. Future studies may also consider the organization's age and size, both of which contribute to the identification of CG. Future studies can also confirm the possibility of using FA education as a mediator because, according to the latest study, very few respondents are qualified to work as forensic accountants.

Keywords: Corporate governance, fraud risk assessment, preventive role of forensic accounting, Sri Lanka

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IMPACT OF MACROECONOMIC INDICATORS ON SHARE PRICES IN SRI LANKA: EVIDENCE FROM BANKING SECTOR IN COLOMBO STOCK EXCHANGE

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INTRODUCTION

Globally, stock markets have become the primary driving force behind national and international economies. The share price is crucial in investors' share market investing decisions. Because when it comes to investing in stocks, investors are primarily concerned with the share price. The banking industry is crucial to the Sri Lankan stock market. Because they are engaged in providing liquidity to the whole economy while altering asset risk characteristics, they also give payment services to all organizations in order for them to complete their financial transactions. As a result, many investors are eager to invest in firms in the banking industry because the risk of investing in the banking industry is much lower than in other industries. Furthermore, macroeconomic issues directly impact the financial market's development (Badullahewage, 2018). Changes in macroeconomic circumstances impact the share prices of banking sector businesses. In addition, corporations have little influence over macroeconomic issues. As a result, the impact of macroeconomic factors on stock prices may vary from one nation to the next (Lakmali & Madhusanka, 2015). As a result, the researcher chose five macroeconomic factors as study variables.

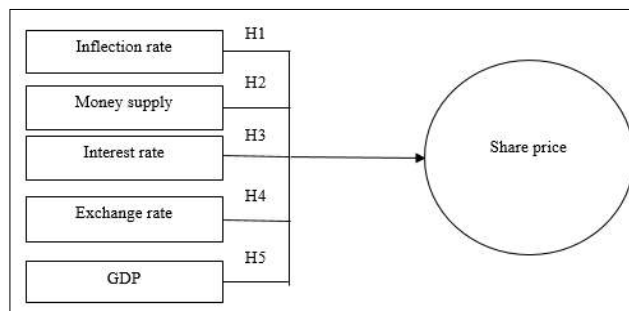
The primary objective of this study is to determine if macroeconomic conditions influence the share price of CSE banking sector businesses. There are numerous study studies on this issue all across the globe. Thus, in Sri Lanka, there are studies conducted on the internal factors that affect share price (Dissanayake & Biyiri, 2017), But there is a dearth of studies on macroeconomic factors. Moreover, there is substantial mixed evidence between macroeconomic factors and share price. For example, Jayasundara et al. (2016) investigated the link between the exchange rate and share price. They concluded that the US Dollar exchange rate responded favorably to the share price. Lakmali and Madhusanka (2015), on the other hand, found that the exchange rate responded unfavorably to share prices. On the other hand, other academics have discovered an insignificant link between macroeconomic indicators and share prices (Jayasundara et al., 2016). As a result, the existing research offers mixed evidence of the association between macroeconomic factors and share price. Furthermore, throughout the last several years, numerous crises in the Sri Lankan economy have considerably impacted macroeconomic indicators, such as way, boom burst, and the COVID-19 epidemic. The literature assessment reveals a scarcity of research on the influence of macroeconomic determinants on the share price in the post-COVID-19 setting, both locally and globally. As a result, the researcher attempted to close that gap by examining this study and "Is there a significant link between macroeconomic conditions and share price of listed banking sector businesses on the CSE?"

This research result is significant for all shareholders interested in the firm and other stakeholders, such as management, investors, the government, and economists, who may use it to make better decisions. Furthermore, policymakers must grasp the influence of these macroeconomic factors on share prices when crafting economic and monetary policy. As a result, it is intended that this research will contribute to the existing local and worldwide literature and address the gaps identified. The following section outlines the study's methodology.

METHODOLOGY

This section discusses the research approach, the population, the study sample, hypotheses, the operationalization of variables, and proposed analytical strategies. This study examines the significant impact of macroeconomic variables on the share prices of banking sector companies. The explanatory variables of the study are inflation (INF), money supply (MS), interest rate (INT), an exchange rate (ER), and Gross domestic product (GDP). Besides, the dependent variable is companies' share prices in the banking sector. The study gathered annual report data from 2012 to 2021. The researcher selected 11 licensed commercial banks as a sample for the study. Accordingly, the researcher used 110 observations and followed a deductive approach and quantitative research methodology to conduct this study (Varma & Bansal, 2021). Figure 1 indicates the conceptual diagram developed based on the comprehensive literature review performed.

Figure 1 Conceptual Diagram



Based on the conceptualization, following hypotheses can be developed.

H1: There is a significant impact of INF on the share prices in banking sector companies in CSE.

H2: There is a significant impact of MS on the share prices in banking sector companies in CSE.

H3: There is a significant impact of INT on the share prices in banking sector companies in CSE.

H4: There is a significant impact of ER on the share prices in banking sector companies in CSE.

H5: There is a significant impact of GDP on the share prices in banking sector companies in CSE.

To achieve the objectives of the study. Data cleaning and screening strategies were carried out before performing the descriptive and regression analyses. Variables with significant outliers were winterized to address the issue of outliers. Next, correlation and regression analyses were performed, and in performing these analyses, several assumptions were tested for normality, multicollinearity, and homoscedasticity, and no anomalies were found. The Hausman test was used to select the suitable model for data analysis, and the study found that the fixed effect model is more suitable.

RESULTS AND DISCUSSION

This section elaborates on the findings of the correlation and regression.

Table 1 Correlations Coefficients

	SP	INF	MS	INT	ER	GDP
SP	1.000					
INF	0.082	1.000				
MS	-0.175	-0.006	1.000			
INT	-0.013*	0.317**	-0.698**	1.000		
ER	-0.117	-0.150	0.910**	-0.556**	1.000	
GDP	0.088	0.011	-0.741**	0.609**	-0.711**	1.000

Dependent Variable is SP

Definition of these variables are indicated in Table 1.

*p<0.05;**p<0.01

Table 1 shows a negative systematic (p<0.05) association between the SP and INT, and other main variables do not show a significant association with the share price. However, indirect results show a significant (p<0.01) positive association between INF and INT. Furthermore, MS shows a negative significant (p<0.01) association between INT and GDP but a positive systematic (p<0.01) association between ER. Moreover, there is a negative systematic (p<0.01) association between the ER and INT and a systematic (p<0.01) negative association between ER and GDP.

Table 2 Regression Analysis

Variable	Coefficient.	Std. Err.	P value
INF	2.788	1.739	0.112
MS	-45.893	8.885	0.005
INT	-10.942	2.686	0.028
ER	-332.596	106.041	0.001
GDP	0.310	1.310	0.813
Contant	-366.165	178.586	0.043
Prob>chi2 = 0.034*			
R-sq.: = 0.0820			

Dependent Variable is SP

*p<0.05;**p<0.01

As per Table 2, the overall R-squared value is 0.08, and the study used a fixed effect model since the Chi-Square value was significant at 5%. The regression analysis (refer to table 2) presented a significant negative association between SP and the MS, INT, and ER. Thus, these

findings were consistent with those (Bhattarai, 2018; Verma & Bansal, 2021; Lakmali & Madhusanka, 2015). Besides, Oluseyi (2015) concluded that there has no significant relationship between money supply and share price. Moreover, Djazuli (2017) concluded that the interest rate has no significant impact on the share price. Furthermore, Pramod and Puja (2012) and Khan et al. (2013) are inconsistent with the current study findings. Since it revealed that the ER does not significantly impact the share price. Accordingly, H2 and H4 are supported by the above regression analysis results.

CONCLUSIONS AND IMPLICATIONS

The researcher investigates the influence of macroeconomic factors on the share price of CSE banking sector businesses in this study. The results found that the money supply, interest rate, and exchange rate significantly negatively influence share price. This research evaluated the relationship between macroeconomic factors and the share price of CSE-listed banking sector businesses. As a result, these results have real-world ramifications for banking and financial institutions, investors, legislators, prospective researchers, and stock market analysts. This research has several drawbacks. For this experiment, only five macroeconomic variables were considered. Several elements influence share price variations in addition to these five. Furthermore, this analysis focuses only on Colombo Stock Exchange-listed banking sector businesses. Another promising future study topic is to look for perspectives, attitudes, and motivations related to macroeconomic factors.

Keywords: Banking sector, macroeconomic variables, share prices

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IMPACT OF MANAGEMENT ACCOUNTING PRACTICES ON FINANCIAL PERFORMANCE OF LISTED MANUFACTURING COMPANIES IN SRI LANKA

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INTRODUCTION

Management accounting practices have gained more significance than ever. The main reasons are increased domestic and global competitiveness and globalization, shrinking profit margins, and rising input prices because of energy supply constraints, financial crises, etc. (Uyar, 2010). As a means of core competency, management accounting practices can be utilized. The management of organizations, especially those in the manufacturing industry, is assisted by management accounting practices to plan, direct, and control operating costs and attain optimal performance (Adu-Gyamfi et al., 2020). Companies may gain a competitive edge in their industry by maximizing earnings and minimizing costs. At this juncture, specific management accounting techniques offer tactics that persuade many consumers to develop an enduring preference for a company's goods.

Management accounting practices have shifted from reporting historical information, especially on variance analysis, to taking part in the strategic planning process of an organization (Gichaaga, 2014). Cost controlling is essential in every company for its performance. Poor performance of the listed companies which engage in manufacturing goods is commonly based on competition, technological change, power, and cost of operation among the companies (Adu-Gyamfi et al., 2020). Moreover, Gichaaga (2014) emphasized that competitive advantage in the highly demanding and intensely competitive business environment where creative management accounting procedures are required. Therefore, management accountants, particularly those working in the manufacturing processes, should be at the forefront of finding and creating cutting-edge strategies that could help a firm maintain profitability and competitiveness. These measures are especially crucial in the manufacturing industry, where cost-effectiveness and efficiency can be competitive advantages for expansion and profitability. According to Gichaaga (2014), the best chance for businesses to compete in the market and provide consumers with high-quality goods and services at reasonable rates is provided by management accounting.

The use of management accounting practices shapes the overall performance of the firm. Consequently, companies must evaluate how management accounting practices affect their operations more than ever. Regarding the current theme, several earlier research (Adu-Gyamfi et al., 2020; Emiaso et al., 2018) primarily focused on the contexts of developed countries, whereas very few have been conducted in developing countries, including Sri Lanka (Perera & Meepagama, 2015; Kariyawasam, 2018; Mohamed & Athambawa, 2021). The findings of other contexts, particularly the Western context, do not go hand in hand with the Sri Lankan context for several reasons. Thus, the present study aimed to fill the gaps above by examining

the impact of management accounting practices on listed manufacturing companies' financial performance in Sri Lanka. However, the present study is confined to listed manufacturing companies in Sri Lanka, and this may be of little or no use to the companies that operate non-manufacturing activities in Sri Lanka and non-listed companies in Sri Lanka. The study used listed manufacturing companies in Sri Lanka as the sample. This is because the listed manufacturing companies cover many industry sectors in Sri Lanka. As the sample covers a wide area, this study's results may benefit people engaged in many industry sectors. Although many management accounting practices may affect the firm's financial performance other than those considered in the present study, such as formulating business strategy, planning and control activities, efficient resource usage, and performance improvement and value enhancement, time did not permit to choose them. Hence, the use of those practices with the participation of a larger sample from other industry sectors could be done in the future for further investigation.

METHODOLOGY

The present study is a quantitative study that used a descriptive survey methodology to collect data, and listed manufacturing companies in Sri Lanka were taken as the study's population. Of the target population, 150 listed companies engaged in manufacturing activities on Colombo Stock Exchange (CSE) were selected as the sample. Accordingly, the sample consisted of Energy, Utilities, Household & Personal Products, Material, Automobiles & Components, Capital Goods, Commercial & Professional Services, Consumer Durables & Apparel, Food, Beverage & Tobacco, and Healthcare Equipment & Services sector companies. Data was collected using a structured questionnaire which was self-administrated by the respondents. Gichaaga (2014) adapted the questionnaire, and a few amendments have been made per the study's requirements. The respondents of the present survey consisted of senior managers, senior management accountants, management accountants, and any person who engaged in management accounting-related activities of the sample companies. Of the 150 sample companies, 129 companies participated in the survey, and then the usable response rate of the study was 86 percent. The financial performance (FP) served as the study's dependent variable. It was assessed using the sample companies' average return on assets (ROA) for five years. In contrast, the independent variable consisted of five measures, namely, costing systems (CS), budgeting systems (BS), performance evaluation systems (PES), strategic management accounting analysis systems (SMAAS), and costing information for decision-making (CIDM). All the independent variables were also measured through a 5-point Likert Scale. The descriptive statistics, correlation analysis, and regression analysis were performed as the data analysis tools, along with some preliminary analyses such as normality and reliability tests.

RESULTS AND DISCUSSION

The normality and reliability test confirmed the appropriateness of the gathered data for continuing the primary analyses. Accordingly, the primary analyses were employed, and the results were summarized in subsequent sections.

Table 1 Results of Descriptive Statistics

Variable	Mean	Maximum	Minimum	Std.Dev	Skewness	Kurtosis
CS	4.248	5.000	3.000	0.383	-0.642	0.283
BS	4.433	5.000	3.430	0.365	-0.446	-0.019
PES	4.432	5.000	3.170	0.395	-0.528	0.286
SMAAS	4.461	5.000	3.380	0.340	-0.409	0.594
CIDM	4.450	5.000	3.630	0.350	-0.189	-0.794
FP	4.457	5.000	3.550	0.322	-0.104	-0.207

According to Table 1, the mean value of CS, BS, PES, SMAAS, CIDM, and financial performance is 4.248, 4.433, 4.432, 4.461, 4.450, and 4.457, respectively. Kurtosis value of financial performance value is -0.207, which indicates not a heavy-tailed distribution of data and a skewed left side with a value of -0.104.

Table 2 depicts the results of Pearson's correlation analysis. As per Table 2, management accounting practices on financial performance has a positive and significant correlation with all the variables, including CIDM with a value of 0.683 and PES with a value of 0.606, which are significant at the 0.01 level. Accordingly, there is a relationship between CS, BS, and SMAAS and financial performance with a value of 0.483, 0.484, and 0.510, respectively.

Table 2 Result of Correlation Analysis

	CS	BS	PES	SMAAS	CIDM	FP
CS	1					
BS	0.599**	1				
PES	0.610**	0.564**	1			
SMAAS	0.590**	0.441**	0.634**	1		
CIDM	0.548**	0.464**	0.621**	0.665**	1	
FP	0.483**	0.484**	0.606**	0.510**	0.683**	1

Notes: N = 129, *** are significant at the 0.05 and 0.01 levels (two-tailed), respectively.

The findings related to the regression analysis are summarized in Table 3 and it indicates 0.532 as its R-squared value and a value of 0.513 as the Adjusted R-square.

Table 3 Result of Regression Analysis

	Unstandardized	Standardized		t	Sig.
	Coefficients	Coefficients			
	B	Std. Error	Beta		
Constant	1.168	0.306		3.814	0.000
CS	0.006	0.075	0.007	0.078	0.938
BS	0.114	0.072	0.129	1.585	0.115
PES	0.201	0.076	0.246	2.652	0.009
SMAAS	0.029	0.087	0.031	0.333	0.040
CIDM	0.449	0.082	0.487	5.456	0.000

R² 0.729, F value 27.947, Sig. 0.000

As per Table 3, the overall model was significant at 1% ($p = 0.000$). Table 3 indicates that three independent variables out of five were significant at either level of 0.010 or 0.050. Accordingly, three management accounting practices, namely, PES, SMAAS, and CIDM, impacted the FP of the sample companies. The current study's finding is consistent with some prior scholars' findings (Adu-Gyamfi et al., 2020; Emiaso et al., 2018; Gichaaga, 2014). However, both CS and BS as management accounting practices have no impact on the financial performance of the sample companies. These findings are in contrast with a few past studies. However, this dissimilarity may be mainly due to the difference in the context of the research that was carried out.

PES represented the $p = 0.009$ value. This indicated a significant relationship between PES and the FP of the companies. Previous researchers also have found that the PES has a significant relationship with FP (Gichaaga, 2014; Adu-Gyamfi et al., 2020). SMAAS represent the $p = 0.040$, this p-value is lower than 0.05 ($p > 0.05$) according to the regression analysis. This study's results indicate that SMAAS and FP have a significant positive relationship with firm performance. Similar research findings also found a positive relationship between SMAAS and financial performance (Adu-Gyamfi et al., 2020; Mohamed & Athambawa, 2021). The results of this study indicate that CIDM and financial performance has a significant positive relationship. Similar research findings also found a positive relationship between CIDM and financial performance (Adu-Gyamfi et al., 2020).

CONCLUSIONS AND IMPLICATIONS

This study examined the impact of management accounting practices on the financial performance of listed manufacturing companies in Sri Lanka. According to the findings of this study, strategic management accounting analysis systems are the most used management accounting practice among the selected sample companies, followed by cost information for decision-making, performance evaluation systems, budgeting systems, and costing systems, respectively. As the most prevalent management accounting technique among Sri Lankan companies, this study advises creating and improving strategic management accounting

analysis systems in Sri Lankan manufacturing-oriented companies focusing on the impact of competitors' decisions and cost structures on the business's future process.

The costing information for decision-making is the most effective management accounting practice on financial performance. This is aligned with the widespread belief that management accounting gives valuable information for making decisions, internally or externally, and over a long or short period. The study also comes to conclusions with essential management accounting practices like identifying some significant factors that influence the companies' financial performance. In order to help management to make decisions and achieve financial performance, management accounting offers information from its environment to management. Thus, it advises companies to include other value-based measures that have gained popularity in academic literature over the past two decades, in addition, to return on equity, return on asset, and earnings per share, as accounting measures to achieve a proper measure of financial performance. An accounting curriculum should be established following policies and the evolving function of accountants. To deal with the rapidly changing business environment, the students must provide accounting education. Hence, they provide relevant and meaningful information to the managers to make better decisions in business. The practitioners can also use this study's findings to understand how management accounting practices can help their companies improve performance. Academics can also use the present findings when improving their academic curricula per the requirements of the current business needs.

Keywords: Financial performance, listed manufacturing companies, management accounting practices.

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IMPACT OF PSYCHOLOGICAL CAPITAL ON ACADEMIC PERFORMANCE OF UNDERGRADUATES OF NATIONAL UNIVERSITIES IN SRI LANKA

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INTRODUCTION

Positive psychology has gotten significant attention from the academic world within the previous decade. Psychological capital is defined as an individual's positive psychological development, which has main components such as Hope, Efficacy, Resilience, and Optimism (HERO). It is known as a HERO; Hope is a feeling of trust, and efficacy is the ability to meet a goal. Resilience is the ability to overcome obstacles quickly, and optimism is the feeling of confidence. Psychological capital is strongly associated with increased well-being, life satisfaction, and work. Developing even one of the four components of psychological capital can help a person achieve his or her goals more efficiently, improve his or her performance in all fields of life, and become more successful. Academic performance is one of the most relevant outputs in university settings. It refers to students' knowledge at the end of the university degree program. One of the main measures in academic performance measurement is the Grade Point Average (GPA). The students who are well educated will have a higher Grade Point Average (GPA) based on their abilities and a lower Grade Point Average (GPA) with lower performance. The university system will have to engage in various educational and extracurricular activities such as examinations, assignments, classroom tests, research, etc., for all these tasks; students must have a good mindset.

The current study will fill the empirical gap in the Sri Lankan context because very few studies have been done based on national universities. Moreover, in the international context, there is a shortage of studies about the impact of psychological capital on the academic performance of undergraduates of universities because there is no access to all current information for gathering data internationally. In reviewing the literature, some researchers have discovered a link between psychological capital and academic performance. However, there are mixed findings in this area. When considering the Sri Lankan context, those studies have not been done based on the entire national universities, where they have considered only one university for the research at a time. As a result, this study examines the impact of psychological capital on the academic performance of undergraduate national universities in Sri Lanka.

METHODOLOGY

When attaining the study's objective, the researcher used a quantitative approach. This study was conducted using a questionnaire survey involving fourteen national universities of Sri Lanka with 125 respondents to collect the necessary data as a primary data collection tool. The researchers used a convenience sample approach while ensuring representativeness. The sample was determined to be representative of the intended population. Based on the literature

review, the researcher drafted the questionnaire, and then it was given to the two academic experts' research supervisors for their opinion. After that, the comments were adhered to prepare the final questionnaire given to the responders for the pilot testing. The researcher constructed this questionnaire as an online Google form that was emailed to the undergraduates of National universities. The researcher will start by composing an introductory questionnaire. After gathering data using a structured questionnaire, the data were adequately analyzed using descriptive analysis and correlation and regression analysis to find the relationship between psychological capital and academic performance of undergraduates. The research model is constructed as below.

$$\text{PsyCap} = \beta_0 + \beta_1\text{H} + \beta_2\text{SE} + \beta_3\text{R} + \beta_4\text{O}\dots (01)$$

Where,

PsyCap-Psychological Capital

H-Hope

SE-Self-efficacy

R-Resilience

O-Optimism

β_0 -Constant $\beta_1, \beta_2, \beta_3$ and β_4 -coefficient of independent variable

RESULTS AND DISCUSSION

Data cleaning and screening were initially done, and the demographic factors were examined. In this study, academic performance was the dependent variable, and Hope, Self-Efficacy, Resilience, and Optimism were used to measure psychological capital as the independent variables. The researcher will use descriptive analysis to explain and summarise the behaviour of the variable in the study. Table 1 shows the results of the descriptive analysis, including mean value, SD, variance, skewness, and kurtosis value of academic performance.

Table 1 Descriptive analysis

Variables	Minimum	Maximum	Mean	SD	Variance	Skewness	Kurtosis
Academic Performance	1.00	3.75	2.116	0.578	0.334	0.250	-0.217
Hope	1.00	4.75	1.968	0.614	0.378	1.244	3.462
Self-efficacy	1.00	4.80	1.902	0.647	0.420	1.511	4.373
Resilience	1.00	5.00	1.976	0.606	0.368	1.812	7.442
Optimism	1.00	4.80	1.8480	.57888	.335	1.365	5.163

The researchers applied regression analysis to compare the dependent and independent variables. This study used multiple regression analysis to assess the impact of hope, self-efficacy, resilience, and optimism on undergraduate academic performance.

Table 2 Regression Analysis

Variables	Coefficients B	Coefficients Std. Error	t	Sig.
(Constant)	0.785	0.137	5.724	0.000
Hope	0.364	0.106	3.432	0.001
Self-efficacy	0.288	0.124	2.323	0.022
Resilience	-0.068	0.117	-0.582	0.562
Optimism	0.108	0.124	0.872	0.385

According to the regression Table 2, it was found that hope had a statistically significant and positive impact on the academic performance of undergraduates with the ($\beta = 0.364, p < 0.001$). This result is the same as the findings of Udayanga and Weerasinghe (2019), who discovered a moderately positive association between hope and academic achievement.

The following hypothesis shows that self-efficacy had a significant and positive relationship with the academic performance of undergraduates with the ($\beta = 0.288, p < 0.022$). This result is the same as the findings of Richardson et al. (2012). It was further reconfirmed by the present study showing a statistically significant and positive relationship between self-efficacy and academic performance. The development of self-confidence to articulate thoughts without fear could improve self-efficacy. More opportunities for student presentations should be provided, as well as opportunities for students to participate in the debate and express their opinions. The resilience had an insignificant and negative impact on the academic performance of undergraduates ($\beta = -0.068, p < 0.562$) because its beta value was recorded as minus and a p-value greater than 0.05. This result was in some ways in contravention to those of other previous studies; according to research by Martin and Marsh (2006), students' academic resilience levels were significant predictors of significant outcomes, including class participation, satisfaction with education, and general self-esteem.

Moreover, it found that optimism had an insignificant but positive relationship with the academic performance of undergraduates ($\beta = 0.108, p < 0.385$). According to Huan et al. (2006), students' academic performance or achievement is favourably correlated with their optimal level. Because of that, it was against the findings of the present study.

CONCLUSIONS AND IMPLICATIONS

This study aimed to examine the impact of psychological capital on the academic performance of undergraduates of national universities in Sri Lanka. Based on the regression results, hope and self-efficacy supported the study's objectives, and both variables had a statistically significant positive impact on undergraduates' academic performance. However, resilience and optimism were not supported by the study's objectives because resilience has a statistically

insignificant negative impact on undergraduates' academic performance and optimism had an insignificant but positive relationship with the academic performance of undergraduates. The current study contributed to filling the empirical gap in the Sri Lankan context. There are few studies on this topic considering in the Sri Lankan context. Those studies did not consider all national universities; instead, they focused on only one at a time. This study has gathered data covering all of Sri Lanka's national universities. The research results are helpful for anyone interested in learning more on this subject and for policymakers and regulators who need to make decisions. Additionally, this study can be the basis for future students, students in other undergraduate programs, and academic staff members who want to continue their research in this field.

Keywords: Hope, optimism, resilience, self-efficacy

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INTELLECTUAL CAPITAL AND FIRM PERFORMANCE: EMPIRICAL EVIDENCE FROM NON-LISTED COMPANIES IN SRI LANKA

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INTRODUCTION

The world is facing huge problems with the coronavirus (COVID-19) pandemic. The World Bank found on average; sales dropped 27% of all companies in the world due to this pandemic (www.worldbank.org). Meanwhile, both large size and medium size firms were equally affected. Nowadays, Sri Lanka is also facing a bankruptcy situation. Not only that, there are several problems raised with COVID-19 pandemic. It is noted that Fuel crises, lack of foreign currency, and import issues are the major problems in the current economy. According to past studies, intellectual capital (IC) is considered an efficient and effective resource that is important to achieve higher firm performance (FP) (Dzenopoljac et al., 2017). Meanwhile, the relationship and impact of IC on FP were based on prior studies (Khalique et al., 2020; Wu & Sivalogathan, 2013). Researchers found different results in different studies. Most researchers found a positive impact of IC on FP (Kehelwalatenna & Gunaratne, 2010), while some scholars found a negative impact of IC on FP (Khalique et al., 2020). Even though some researchers found an insignificant impact among IC and FP (Hashim et al., 2015). Only a few studies were made in Sri Lanka on IC and FP. Wu and Sivalogathan (2013) also conducted a study to analyze the effect of IC on the organizational performance of the Apparel industry of Sri Lanka. However, their results reveal that the IC positively impacted FP. However, they only take a few apparel industries for sampling. Due to the inclusiveness of results and shortage of study, the problem of this study is "whether there is an impact on IC on FP in non-listed companies in Sri Lanka."

The primary objective of this study was to identify the impact of IC and its components on FP. Meanwhile, research questions were created based on the objective of this study. What is the impact of IC on FP in Sri Lanka's non-listed companies? This is the research question of this study. The researchers have extensively focused on the connection between IC and FP as per the literature review. However, there was a shortage of studies related to IC and FP worldwide and in Sri Lanka. Therefore, this research was empirically significant. In Sri Lanka, Kehelwalatenna & Gunaratne (2010) conducted a study to identify the impact and relationship between IC, FP, and investors' responses. They found a significant positive relationship between IC, FP, and investors' responses. However, they only used selected sectors in Colombo Stock Exchange (CSE) as the sample. It was the main limitation of that study. According to the previous studies, there was a gap in the literature in a few areas of this study. Due to that, this study used Sri Lankan non-listed companies based on the study's objective. Furthermore, this study intends to evaluate the impact of IC and FP within the Sri Lanka context. Additionally, this study mainly focuses on resolving the empirical gap between IC and FP in Sri Lanka by conducting a literature survey. The non-listed private companies registered under the National Chamber of Commerce were taken as the study sample, which,

however, becomes a limitation when generalizing the results of this study. It is better to do research with listed companies. The only questionnaire survey was performed. It is better to include qualitative data collection and analysis.

METHODOLOGY

This study collected primary data through structured questions (questionnaires) using survey methods within a specific period (Saunders et al., 2013). For this survey, non-listed companies registered under the department of register of companies in Sri Lanka are taken as the population. The national chamber of commerce database was used as a sampling frame for this study due to the unavailability database of companies. After removing the listed companies, only 310 private companies were selected. The sample size was calculated using G power software's convenience sampling technique. The sample size was 146, and a 67.33% satisfactory respondent rate was achieved in this study. According to the previous studies, the operationalization of variables of this study is included in table 1.

Table 1 Operationalization of variables

Variables	Abbreviations	Measurement	References
Independent variables	Human capital (HC)	9 questions were used	Khalique et al., (2020)
	Customer capital (CC)	7 questions were used	
Intellectual capital	Structural capital (SC)	8 questions were used	
	Social capital (SOC)	8 questions were used	
	Technological capital (TC)	9 questions were used	
	Spiritual capital (SPC)	7 questions were used	
Dependent variables	Firm performance (FP)	10 questions were used	Khalique et al., (2020)
Control variables	Firm size	2 questions were used	Sardo & Serrasqueiro (2018)

The previous studies and existing literature provide the opportunity to create and investigate the following research hypotheses in this study (Khalique et al., 2020). However, seven hypotheses were developed based on the literature. (H₁) HC positively impacted FP, (H₂) CC positively impacted FP, (H₃) SC positively impacted FP, (H₄) SOC positively impacted FP, (H₅) TC is positively impact FP, (H₆) SPC positively impacted FP, and (H₇) IC is positively impacted to FP.

In this study, the primary source of data was used. All the data were in the form of a questionnaire. Furthermore, the statistical package social science (SPSS) was used to measure correlation and descriptive statistics. Not only that, smart partial least squares (PLS) 3 software was used to measure the proposed hypothesis using the structural model and measurement model of this study. Construct reliability, convergent validity, and discriminant validity were tested under the measurement model. Path coefficients r squared, and f squared were measured under the structural model. There were 59 latent variables included in the structural model.

Therefore, Smart PLS software is considered the most suitable method for measuring complex models.

RESULTS AND DISCUSSION

HC, CC, SC, SOC, TC, and SPC are considered the independent variables, and FP thought as the dependent variable of the descriptive statistics. SPC had the highest standard deviation, while CC had the lowest standard deviation. In addition, CC had the highest mean value, and TC had the lowest mean value of the results of descriptive statistics. According to the Pearson correlation analysis, a strong correlation can be seen between FP HC and TC. However, there was a weak correlation between FP with CC and SPC. Not only that, there was a moderate impact among SOC and FP. The results of the measurement model achieved the required construct validity through composite reliability and individual factor loadings. In addition, convergent validity was achieved through the required average variance extracted from this study, and discriminant validity was achieved through the required minimum Fornell-Larcker criterion values. Therefore, the result of the measurement model of this study was statically significant. The findings of the structural model are interpreted in below table 2.

Table 2 Summary of findings in structural model

	β value	Standard deviation	t Statistics	p Values	F squared	R ²
CC -> FP	0.140	0.052	2.690	0.007	0.099	0.899
HC -> FP	0.105	0.056	1.875	0.061	0.046	
SOC -> FP	0.078	0.053	1.477	0.140	0.038	
SPC -> FP	0.321	0.053	6.080	0.000	0.737	
SC-> FP	0.427	0.047	8.984	0.000	1.047	
TC -> FP	0.184	0.042	4.378	0.000	0.191	

Source: Constructed based on the results of the structural models

According to R², 89.9% change was explained by sub-variables of IC. According to the results of the structural model of this study, a significant impact can be identified among CC, SC, TC, SPC, and IC on FP. Therefore, the hypotheses H₂, H₄, H₅, H₆, and H₇ were accepted. In addition, an insignificant impact can be identified among HC and SOC on FP. Therefore, hypotheses H₁ and H₃ were not accepted. Unqualified and inexperienced employees are the primary factors that reduce the level of HC, and lack of social programs and lack of collaboration among employees are the reasons which tend to reduce the SOC. Due to that, HC and SOC have no significant impacts on FP. This result was consistent with previous studies, such as (by Hashim et al., 2015). Although CC, SC, TC, SPC, and IC significantly positively impacted FP. Respectively those results were consistent with the previous studies' results, namely (Khalique et al., 2020; Wu & Sivalogathan, 2013; Ramayah et al., 2011; Hashim et al., 2015; Kehelwalatenna & Gunaratne, 2010).

CONCLUSIONS AND IMPLICATIONS

The analysis results provided a good understanding of the relationship and impact among each variable. The first result demonstrates the impact on IC and FP. The second result interprets the relationship between each component of IC and FP. According to the results of this study, only HC and SOC had an insignificant impact on FP. All other capitals had a significant positive effect on FP. According to the results of these studies, each capital included under IC played a crucial role in the value creation process. Due to the unavailability of a database of companies, only registered private companies under the National Chamber of Commerce were used. It was considered one of the limitations of the data collection of this study. In addition, this study provides a good platform for theory development, model creation, and policy development related to the IC and its components. This study provides knowledge to managers, entrepreneurs, and policymakers to increase the competitive advantage by efficiently utilizing the IC and its components. Arrangement of seminars, flexible working time, and incentives are activities that can minimize the drawbacks of the HC. Then, it helps to create employee productivity. As a result of the higher employee productivity, the FP tends to increase in the future. Subsequently, Policy makers can impose a new policy to increase the wage level of the employees. Then it will be affected to create of HC within the organization. This study was restricted to registered companies in the National Chamber of Commerce. But future researchers must cover all the companies in Sri Lanka as their population. Future researchers can take samples from particular business enterprises and international chambers of commerce. Then it will help to increase the sample size of future research. Due to that, future results will be more efficient and effective in understanding IC and its components with this study results.

Keywords: Firm performance, integrated intellectual capital model, intellectual capital

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INVESTIGATING CUSTOMER ADOPTION TO DIGITAL BANKING PLATFORMS IN THE POST COVID –19 PANDEMIC IN SRI LANKA

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INTRODUCTION

Digital banking can be defined as using a secure website provided by the bank to conduct transactions or other financial services. Digital banking can access the activity from a laptop, desktop computer, or mobile phone. Many businesses today are conscious of their competition by incorporating e-commerce into some of their company strategies (Omar Ali et al., 2020). From both the end user and organizational perspectives, the banking industry is one of the sectors that saw a technological revolution. The proliferation of technology, fierce competition among banking institutions, and the globalization of the economy have compelled banks to look for new markets and cutting-edge financial services. Routine banking activities have been shifted to online banking because of the banking industry's use of the Internet as an online business tool. Information technology has revolutionized the sector and boosted performance. Additionally, internet banking has revolutionized the banking sector globally. Managers and policymakers have been interested in digitalization and the adoption of technology, and it has made headlines in publications like newspapers, magazines, and conferences for practitioners.

Different businesses are under pressure from new opportunities brought on by digitization to reevaluate their current business models and operational procedures or to concentrate on finding future market opportunities (Bastari et al., 2020). Digitalization is thought to offer substantial efficiency when routines and business procedures are altered to suit the potential efficiency gains. On the other hand, the typical work patterns and methods will undoubtedly change because of digitization strategies. The implementation of digitalization could also result in internal opposition that raises worries that have a negative impact and indirect cost issues that the company must bear. Sri Lanka's central bank has designated 2020 as the year of digital transactions. Therefore, the nation's banking industry must adopt this trend to effectively reach all its residents in urban and rural areas (Rajapaksha, 2021). The authors of this study primarily concentrate on the adoption of digital banking practices by rural and urban clients as well as the challenges that prohibit customers from using digital banking platforms during the COVID- 19 pandemic. Further, this study is elaborated based on digital banking platforms such as ATM (Automated Teller Machine), Electronic fund transfers, SWIFT transfers, Bank credit and debit cards, Internet transactions, Digital wallets, and E-vouchers. Research on the use of digital banking during the COVID-19 pandemic in Sri Lanka is highly uncommon. By acquiring primary data through Google questionnaires and interviews, our study fills this research gap by offering unambiguous evidence of proof.

The general objective of this study is to investigate customer adaption to digital banking platforms during the post COVID-19 pandemic in Sri Lanka. Moreover, the authors have subdivided this general objective into four sub-objectives to investigate the relationship between customer perceptions towards customer adoption of digital banking platforms during the post COVID-19 pandemic in Sri Lanka and to investigate the impact of customer perceptions toward customer adoption of digital banking platforms during the post COVID - 19 pandemic in Sri Lanka, to compare the customer adoption of digital banking platforms among customers of public and private banks during the post COVID-19 pandemic in Sri Lanka, and to discover the challenges faced by the customers in using banking practices during the post COVID-19 pandemic in Sri Lanka.

METHODOLOGY

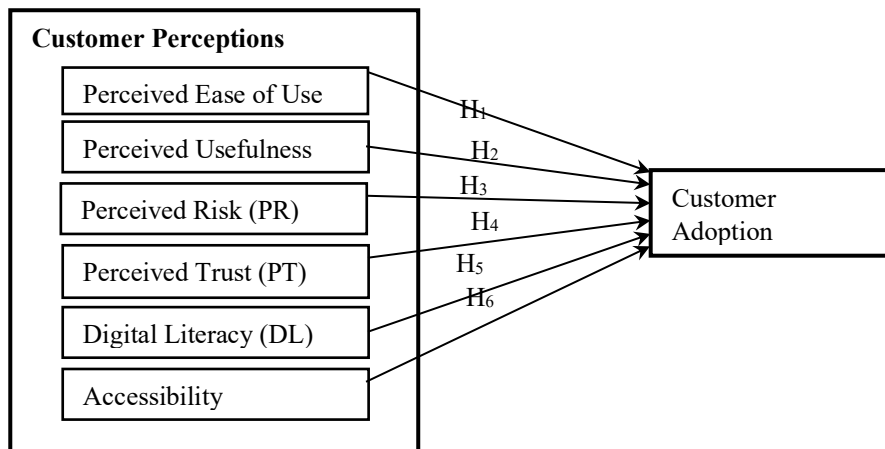


Figure 1 Conceptual Framework

The above conceptual framework has elaborated with six independent variables, which derive the critical idea of the research to test whether each independent variable has an impact on customer adoption. The main idea carrying with to test alternative is to test whether there is an impact of Perceived ease of use (PEOU) in customer adoption and null hypothesis as there is no impact of PEOU on customer adoption. These hypotheses were implicit with the acceptability or rejection of the null or alternative hypothesis flow with the research. In scholarly research, Mano et al. (2020) have collected both quantitative and qualitative mixed method approach data, and secondary data has been utilized to identify the factors that influence electronic banking. To achieve the goals, they used quantitative research using a questionnaire. Additionally, in the Statistical Package for Social Sciences (SPSS), descriptive and multiple linear regression analyses were conducted to test the objectives. So, in the present study authors conducted the research with mix method approach.

These hypotheses were implicit with the acceptability or rejection of the null or alternative hypothesis flow with the research. The inaugural objective which is to find the relationship

between customer perceptions on the adoption of digital banking (DB) platforms, correlation analysis has been conducted with Statistical Package for the Social Sciences 26 versions was utilized with the second objective which is to investigate the impact towards customer perceptions on adoption to DB platforms, researchers analyzed through multiple linear regression (MLR) with Statistical Package for the Social Sciences. Intentionally the study heightens the statistical oversimplification of the main route along academic constructs using descriptive statistics. The essential procedure involves data cleaning and data purification with maintaining the steadfastness and the validity of data by amputating the outliers with coding errors with missing values included with the responses containing logical inconsistency levels grounded with the specification. Four hundred eighty-one responses were collected, layering all 14 Sri Lanka districts with precise responses representing 88.73% of the responses which were collected.

The reliability test was mainly conducted with Cronbach’s Alpha with an overall reliability level of 0.904 for overall questions, which indicates the elevated internal consistency value, which is higher than the value of Cronbach’s alpha 0.904, indicating all questions in the questionnaire exist in the same paradigm. Through KMO and Bartlett's Measure of sampling, Adequacy results obtained the results of 0.881 as this value attains in the range of 0.8 above the results considered highly acceptable and exceptional. From 0.881 significant results obtained, the model is highly acceptable and exceptional. 0.881 significant results were revealed as the result of concluding the sample size is satisfactory along with the responses. Two hundred eighty five respondents from overall results in urban areas mentioned they use DB platforms, while 36 responded they are not using DB platforms. For respondents in rural areas, 74 mentioned they are using DB platforms, while 26 responded that they are not using DB platforms. Cloud-based analysis was conducted to measure how customers were utilizing DB platforms. Mentioned Figure 2 emphasizes the platform usage variation.



Figure 2 Digital Banking platform usage variation

The above word cloud shows the frequency of DB platform usage. The significant texts indicate the highest frequency of DB platform usage, and the small texts indicate the lowest. Normality test results showed that the sample distribution is expected according to the measurement scales. The central tendency measurements mean median and mode values are amassed from the results from descriptive statistics output (not tabulated). From the mean value of 8.05 for PEOU value and 8.49 for Perceived Usefulness (PU) and the dependent variable 7.66 designating the standards obtained by dividing the total answered frequency by the number of respondents who have retorted standardly according to the Likert scale.

Two-tailed Pearson correlation was conducted in the correlation analysis of the first objective of investing the relationship between the independent variables towards customer adoption and the results are indicated below in Table 1.

Table 1 Correlation Results

	PEOU	PU	Accessibility	PT	PR	DL
CA to Digital Banking	1	0.850 **	0.773 **	0.748**	0.481**	0.672**

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

The Pearson correlation values which are above 0.7 signifies the strong positive relationship between each independent variable towards customer adoption, which indicates the results PEOU, PU, Perceived Trust (PT) and Accessibility has a strong positive relationship concerning customer adoption for DB platforms. In contrast, Perceived Risk (PR) and DL provides a moderate positive relationship towards CA (Customer Adoption).

Table 2 Results of Model Summary

R ²	Adjusted R ²	Std. error in the Estimate	Change Statistics		
			R Square Change	F Change	Sig. F Change
0.972	0.971	0.314	0.624	694.953	0.000

Table 2 shows the model summary that indicates the addition of each independent variable for the model summary starting from 0.624 value; the R² change varies to the value of 0.972 as an example for Perceived ease of use, 0.624 meaning 62.4% of the variation for the customer adoption. F change indicates the F test to determine the significance of the R² change. Above Table 2, it implies a significant F change meaning that added variables significantly improve the model prediction. As in the explanation of the F change, each variable is significant at a p-value of 0.00. Which provides the meaning that all of the variables have an impact on customer adoption. The adjusted R² value of 97.1 indicates that 97.1% of customer adoption for DB platforms is represented by all the independent variables of PEOU, PU, PT, PR, Digital Literacy and Accessibility.

Table 3 Results of Multiple Regression Analysis

Model	Coefficients	Significance	Tolerance	VIF
Constant	-0.450	0.000		
Perceived Ease of Use	0.067	0.000	0.208	4.818
Perceived Usefulness	0.005	0.755	0.248	4.036
Accessibility	0.856	0.000	0.117	8.573
Perceived Trust	0.025	0.061	0.383	2.613
Perceived Risk	0.002	0.890	0.696	1.437
Digital Literacy	0.115	0.000	0.171	5.859
R ² : 0.0917				

Multiple regression is used to investigate the impact of customer perceptions towards customer adoption, and through the results of PEOU, accessibility and DL have been standard with the significant level of 0.05 compared to PU, PR, & PT, providing the P value lesser the standard threshold of 0.05 critiquing PU, PR, PT does not have an impact for customer adoption for the dependent variable.

CONCLUSIONS AND IMPLICATIONS

The central concept, PEOU, PT and the knowledge about internet banking has provoked customers with the primary intention of customers adopting DB platforms; a study by Premarathne and Gunatilake (2016) gives a wide range of ideas on the concepts for DB platforms. Their study developed the study with trustworthiness and the primary usefulness how which ultimately heightened the usage of internet banking which has tremendously involved for DB platform increment So these study's authors have systematically proven if customers did not have the trustworthiness combined with knowledge factor, customers would enable to manage the services. They would not adopt DB platforms. So, the authors in the present study have gone with the systemic implication to provide suggestions and negotiations for banks, certain factors affecting DB platform adoption, and which contributing bankers to improve their services at the next level.

Keywords: Banking platforms; customer adoption; customer perception; digital banking; post COVID -19 pandemic

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**MEDIATING EFFECT OF INTERNAL CONTROL SYSTEM (ICS) ON THE
RELATIONSHIP BETWEEN E-ACCOUNTING AND THE FINANCIAL
PERFORMANCE (FP): EVIDENCE FROM SMES IN COLOMBO DISTRICT**

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INTRODUCTION

Organizations must adapt to new trends, globalization, and competitiveness to survive and improve in this dynamic business climate. If any organization refuses to adjust to these new circumstances and sticks to its old techniques, it will lose its competitive advantage. E-accounting is responsible for analyzing and monitoring an SME's financial position, generating essential decision-making files, and providing high-quality content to support other SMEs' tasks. However, using E-accounting poses its challenges. It is difficult to detect data manipulation unless internal monitoring systems are kept up to speed with rapidly changing technical systems. Internal control is responsible for monitoring accounting data, ensuring that it is relevant, and ensuring better SMEs FP. E-accounting is an essential component derived from technologies in general, but the main issue is whether applying E-accounting contributes to FP results. As a result, numerous studies have been undertaken to investigate the effects of E-accountancy on overall achievement. However, the research has overlooked the mediating impacts of the Internal Control System on the relationship between E-accounting and FP in SMEs. For this reason, and given the scarcity of studies on the subject, this article focuses on analyzing whether there are mediating effects of the ICS on the relationship between E-accounting and FP of SMEs in the Colombo District.

METHODOLOGY

The survey research approach is used in the study methodology. The researcher chose the sample using a random sampling method. The sample size is 240 employees familiar with accounting roles Account assistants, Account executives, Accountants, Finance Managers & internal auditors in SMEs in the selected district. To generalize the results from the research sample to the general population, the sample should be representative of the population. This study uses primary data to collect data for the study. Primary data is gathered to improve the richness of the study. The questionnaire was developed based on existing literature and previous quantitative studies. All measures were graded on a five-point Likert scale, with one representing "strongly disagree," 2 representing "disagree," 3 representing "neutral," 4 representing "agree," and five representing "strongly agree."The formulation of the questionnaire used-acceptable language. The survey research method can provide a broad capability, ensuring a more accurate sample to gather targeted results to draw conclusions and findings.

In this research, E-accounting is the independent variable. E-accounting, the independent variable, is determined by variables such as information quality, cost reduction, fast decision-making, and software's ease of use. The ICS, on the other hand, is the mediator variable. Accordingly, the dependent variable is FP. The conceptual framework (Figure 1) for the study has been developed by considering the mediating effects of the ICS on the relationship between E-accounting Characteristics and FP of SMEs in the Colombo District as Follows

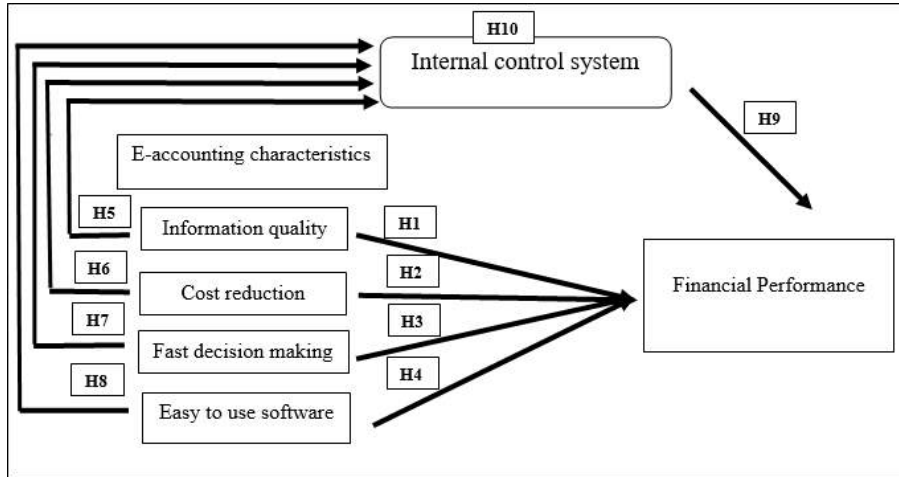


Figure 1 Conceptual Framework

Data analysis is the most crucial part of any research that summarizes collected data. It entails using analytical and logical reasoning to analyze data to identify patterns, correlations, and trends. According to the characteristics of the gathered data, it was analyzed as a quantitative data analysis through the SPSS version 21. The study use reliability, validity, normality test, descriptive statistical analysis, correlation analysis, and multiple regression analysis following statistical techniques to analyze the sample's survey data.

RESULTS AND DISCUSSION

The accuracy of information is essential in the research study. Cronbach’s Alpha analysis was used to evaluate the reliability of the instrument. As a result, the study conducted a reliability test to assess inter-item correlation in each questionnaire variable, as Cronbach’s alpha values ranged from 0.701 to 0.905, showing an acceptable level. Descriptive statistics describe the behavior of the data. If the data points are close to the mean, indicating that the responses are uniform, then the standard deviation will be slight. Table 1, descriptive statistics calculated table is presented below.

Table 1 Descriptive Statistics

	Min.	Max.	Mean	SD
Information Quality	1.40	5.00	4.52	0.43
Cost Reduction	1.20	5.00	4.38	0.46
Fast Decision Making	1.00	5.00	4.44	0.44
Easy to Use	1.20	5.00	4.42	0.46
Internal Control System	1.11	5.00	4.47	0.45
Financial Performance	1.50	5.00	4.46	0.42

Table 2 shows the correlation coefficients between dependent and independent variables. Overall, due to the positive correlation between E-accounting characteristics and FP and ICS. In the analysis, every Pearson correlation value is positive, and every P value is less than 0.01. Therefore, every hypothesis is accepted according to the correlation result.

Table 2 Pearson Correlations among Independent, Dependent and Mediating Variables

	IQ	CR	FDM	EUS	ICS	FP	EA
IQ	1						
CR	0.705**	1					
FDM	0.636**	0.727**	1				
EUS	0.669**	0.765**	0.715**	1			
ICS	0.747**	0.788**	0.741**	0.764**	1		
FP	0.680**	0.720**	0.719**	0.745**	0.831**	1	
EA	0.851**	0.908**	0.871**	0.896**	0.862**	0.812**	1

The researcher develops four major models to examine the objective of the study. Therefore the models of the study are as follows,

Model 01 - Effect of E-accounting on Financial Performance

1.1. E-accounting Characteristics (Independent Variable Dimensions) on Financial Performance

$$FP = a + \beta_1IQ + \beta_2CR + \beta_3FDM + \beta_4EUS + \varepsilon$$

$$FP = 0.612 + 0.194 (IQ) + 0.145 (CR) + 0.250 (FDM) + 0.278 (EUS) + \varepsilon$$

1.2. E-accounting (Independent Variable) on Financial Performance

$$FP = a + \beta_1EA + \varepsilon$$

$$FP = 0.613 + 0.866 (EA) + \varepsilon$$

Model 02 - Effect of E-accounting Characteristics on Internal Control System

2.1. E-accounting Characteristics (Independent variable Dimensions) on Internal Control System

$$ICS = a + \beta_1IQ + \beta_2CR + \beta_3FDM + \beta_4EUS + \varepsilon$$

$$ICS = 0.098 + 0.280 (IQ) + 0.271 (CR) + 0.215 (FDM) + 0.218 (EUS) + \varepsilon$$

2.2. E-accounting Characteristics (independent Variable) on Internal Control System

$$ICS = a + \beta_1EA + \varepsilon$$

$$ICS = 0.105 + 0.983 (EA) + \varepsilon$$

Model 03 – Effect of Internal Control System on Financial Performance

$$FP = a + \beta_1ICS + \varepsilon$$

$$FP = 0.986 + 0.777 (ICS) + \varepsilon$$

Model 04 – Effect of E-accounting Characteristics and Internal Control System on Financial Performance

$$FP = a + \beta_1EA + \beta_2ICS + \varepsilon$$

$$FP = 0.563 + 0.399 (EA) + 0.475 (ICS) + \varepsilon$$

The researcher tried to find out the impact of the E-accounting system on FP with the mediating effects of an ICS. For this purpose, multiple regression analysis was used. Mediation is a hypothesized causal chain in which one variable affects a second variable that, in turn, affects a third variable. A regression approach was used to examine whether ICS mediates the relationship between E-accounting and FP. The results of the mediation analysis (Baron & Kenny, 1986) regression approach were reported in the following table.

Table 3 Summary of Regression Models

Details	Model 1	Model 2	Model 3	Model 4
R	0.812	0.862	0.831	0.852
R ²	0.660	0.743	0.691	0.727
Adjusted R ²	0.659	0.742	0.689	0.724
Sig.	0.000	0.000	0.000	0.000
Constant	0.613	0.105	0.986	0.563
β coefficient				
EA	0.866*	0.983*		0.399*
ICS			0.777*	0.475*

Note: * denotes the significance at the 0.05 level.

To identify the mediating role of ICS, four models were taken into consideration. According to the above-derived results, it can be concluded that ICS plays a partial mediating role in the connection between E-accounting and FP from SMEs in Colombo District.

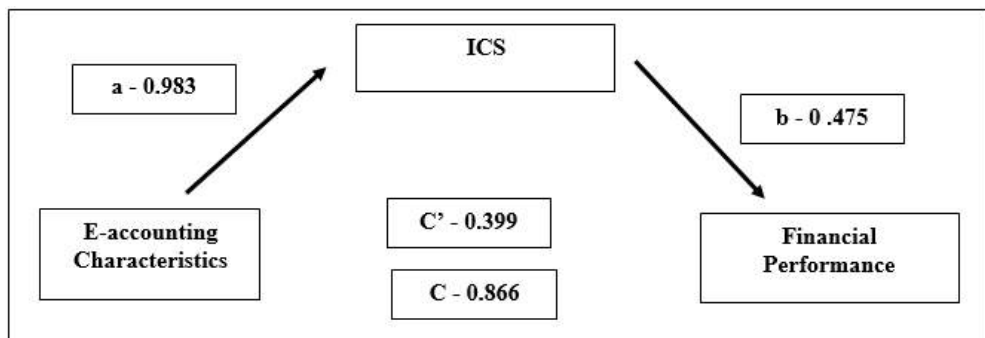


Figure 2 Coefficient Path

This model can be conceptualized as a causal model where E-accounting Characteristics on FP is mediated by ICS as shown in Figure 4.3.

Here,

- a - Regression weight on E-accounting Characteristics when predicting ICS.
- b and c'- The regression weights on ICS and E-accounting Characteristics respectively, when both are used together to FP.
- c - Regression weight on E-accounting Characteristics when predicting FP.

A measure of the mediation impact is the difference between c and c'. This difference is equal to the product of the paths to and from the mediator. Thus, $c - c' = ab$. The total impact of X

on Y (c) can be decomposed into a direct component (c') and an indirect component (ab), $c = c' + ab$.

Regression analysis was conducted to find the beta value of a, b, c and c'. And the model fits were shown in the appendices. The mediation impact can be measured as the reduction in the regression weight for E-accounting Characteristics on FP: $c - c' = 0.866 - 0.399 = 0.467$. Alternatively, and equivalently (within rounding error), the mediation impact can be calculated as the product of the indirect paths from E Accounting to FP through ICS: $a*b = 0.983*0.475 = 0.467$. Thus, it is equal to zero.

$$a*b = c - c'$$

$$0.983*0.475 = 0.866 - 0.399$$

The total impact is equal to the direct impact plus the indirect impact:

$$0.866 = 0.399 + 0.983*0.475 \text{ in the notation of mediation analysis: } c = c' + a*b$$

As the difference is equal to zero as per the decision criteria, it could be concluded that ICS plays a mediating role. And this study accepted the formulated hypothesis too. Therefore, the researcher interprets the mediating effects of the ICS on the relationship between E-accounting Characteristics and FP.

As per the literature, the researcher has mentioned ten hypotheses for all the relationships among the three variables.

Table 4 Summary of Hypotheses Testing

Hypotheses	Correlation		Decision	Regression		Decision
	r	P		β	P	
H1:	0.680**	0.000	Accepted	0.194	0.000	Accepted
H2:	0.720**	0.000	Accepted	0.145	0.022	Accepted
H3:	0.719**	0.000	Accepted	0.250	0.000	Accepted
H4:	0.745**	0.000	Accepted	0.278	0.000	Accepted
H5:	0.747**	0.000	Accepted	0.280	0.000	Accepted
H6:	0.788**	0.000	Accepted	0.271	0.000	Accepted
H7:	0.741**	0.000	Accepted	0.215	0.000	Accepted
H8:	0.764**	0.000	Accepted	0.218	0.000	Accepted
H9:	0.831**	0.000	Accepted	0.777	0.000	Accepted
Hypotheses	Decision Criteria					Decision
H10:	By using the notation of mediation analysis: $c = c' + a*b$ Here, the difference in the equation is equal to zero as per the decision criteria $0.866 = 0.399 + 0.983*0.475$ $0.866 = 0.866$					Accepted

Based on the results presented in Table 4, the findings also show that mediating effects of the ICS on the relationship between E-accounting and FP of SMEs in the Colombo District. Through this study, ten hypotheses are tested. The findings confirmed the study's first eight hypotheses. The findings are consistent with the evidence and ideas presented in the literature review. Furthermore, this research will shed light on the viability of accounting software in

improving the quality of work in SMEs. Through this study, E-accounting characteristics (data quality, cost reduction, speedy enactment of business decisions, and the easy usage of software) had a significant positive impact on FP and an ICS. Also, significant positive relationship between ICS and FP. In contrast, the current study provides a more refined understanding of the positive effect mediating the influence of the ICS on the relationship between E-accounting and FP of SMEs in the Colombo District.

CONCLUSIONS AND IMPLICATIONS

This study concluded that ICS is mediating the connection between E - accounting and FP of SMEs in the Colombo District. Prior research conducted in Sri Lanka did not examine this objective as thoroughly as research conducted internationally using a variety of variables. Sri Lankan context has not done the research for the Colombo district using ICS as mediating variable. However, this study used mediating variables and four independent variables Information Quality, Cost Reduction, Fast Decision Making, and Ease of Use. This study has theoretical, empirical, as well as practical implications. Therefore, the study improves the existing literature on the title, and it will help increase the knowledge of students and scholars interested in this topic. Furthermore, the study is essential for potential SMEs to decide whether to implement or improve E-accounting.

Keywords: E-accounting, financial performance, internal control system, small & medium scale enterprises

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**MODERATING EFFECT OF BOARD CHARACTERISTICS ON THE
RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY
PRACTICES AND FINANCIAL PERFORMANCE: EVIDENCE FROM NON-
FINANCIAL COMPANIES LISTED IN THE COLOMBO STOCK EXCHANGE**

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INTRODUCTION

Most companies provide financial information to their stakeholders as a legal requirement, and there is a high tendency to report non-financial information as financial information itself could not satisfy all the stakeholders' information requirements. Thus, Corporate Social Responsibility (CSR) has been recognized as a good concept for presenting non-financial information to Stakeholders (Khan et al., 2012). CSR means measuring corporate performance through non-financial data and metrics to communicate ethical, behavioral, and motivational drivers (GRI). According to the extant literature, they could not lead to a definitive conclusion about the relationship or impact of CSR and a firm's financial performance, and inconclusive and mixed findings were noted. Rossi et al. (2021) mentioned that CSR practices affect the firm's financial performance significantly and positively. Nag and Bhattacharyya (2016) presented an opposing view and confirmed that engaging in CSR practices may not significantly impact a firm's financial performance.

Furthermore, in the Sri Lankan context, it wasn't easy to find studies that examine the moderating effect of board characteristics on the relationship between CSR and a firm's financial performance. As a result, these research findings are pivotal for shareholders and investors to make future economic decisions, managers to upgrade organizational strategies, employees to maintain job satisfaction, and policymakers to formulate effective policies for the country and economy. Furthermore, the findings of this study will be helpful to students and researchers for academic purposes and future research. Thus, the main objective of this study is to examine the moderating effect of board characteristics on the relationship between CSR practices and a firm's financial performance of non-financial companies listed on Colombo Stock Exchange.

METHODOLOGY

Most companies provide financial information to their stakeholders as a legal requirement, and there is a high tendency to report non-financial information as financial information could not satisfy all the stakeholders' information requirements. Thus, Corporate Social Responsibility (CSR) has been recognized as a good concept for presenting non-financial information to Stakeholders (Khan et al., 2012). CSR means measuring corporate performance through non-financial data and metrics to communicate ethical, behavioral, and motivational drivers (GRI). According to the extant literature, they could not lead to a definitive conclusion

about the relationship or impact of CSR and a firm's financial performance, and inconclusive and mixed findings were noted. Rossi et al. (2021) mentioned that CSR practices affect the firm's financial performance significantly and positively. Nag and Bhattacharyya (2016) presented an opposing view and confirmed that engaging in CSR practices may not significantly impact a firm's financial performance. Furthermore, in the Sri Lankan context, it was not easy to find studies that examine the moderating effect of board characteristics on the relationship between CSR and a firm's financial performance. As a result, these research findings are pivotal for shareholders and investors to make future economic decisions, managers to upgrade organizational strategies, employees to maintain job satisfaction, and policymakers to formulate effective policies for the country and economy. Furthermore, the findings of this study will be helpful to students and researchers for academic purposes and future research. Thus, the main objective of this study is to examine the moderating effect of board characteristics on the relationship between CSR practices and a firm's financial performance of non-financial companies listed on the Colombo Stock Exchange.

H1: There is a significant relationship between CSR and ROA of non-financial firms listed in CSE.

H2: There is a significant relationship between CSR and ROE of non-financial firms listed in CSE.

H3: The Board Characteristics significantly moderate the relationship between CSR and ROA of non-financial firms listed in CSE.

H4: The Board Characteristics significantly moderate the relationship between CSR and ROE of non-financial firms listed in CSE.

RESULTS AND DISCUSSION

The researcher ensured that the data set had no missing values or outliers. After, the normality test was performed to measure whether the data sets were normally distributed or not.

Table 1 Descriptive Analysis

Variable	Mean	Min.	Max.	SD	Skewness	Kurtosis
ROA	0.053	-0.261	0.417	0.085	0.945	2.940
ROE	0.050	-0.578	0.594	0.153	-0.625	3.760
CSR	0.478	0.000	0.962	0.252	0.074	-0.811
BC	0.410	0.000	1.000	0.247	-0.050	-0.587
FS	22.100	16.420	25.770	1.350	-0.204	0.181
LEV	0.262	0.000	0.978	0.217	0.800	-0.042

According to Table 1, the CSR disclosure index also varied from 0% to 96.2%. However, 47.8% of the average disclosure index emphasizes that Sri Lankan companies' disclosure on CSR is at an average level. ROA and ROE of the firms are around 5%.

All the skewness values between -1 and 1 and standard deviation also behaved at a lower value. Correlation and regression analyses are focused on the primary investigation of variables in the following sections.

The relationship between CSR practices and Financial Performance

The following models were formulated to test the relationship between CSR practices and financial performance. As there are two dependent variables (ROA and ROE), two models were developed, as shown below;

$$ROA_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 FS_{it} + \beta_3 Lev_{it} + \varepsilon \quad \dots (1)$$

$$ROE_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 FS_{it} + \beta_3 Lev_{it} + \varepsilon \quad \dots (2)$$

The significant result for the Hausman test directed to perform fixed effect panel regression to test the impact of CSR on ROA as per the suggested model 1. Even though a lower R² value appears, significant F-test results provide substantial evidence of the suitability of regression analysis to meet the study objective. The following Table depicts the results of the regression analysis.

Model 2 interprets the relationship between CSR_{it} and ROE_{it} with control variables. The below Table shows the results of Model 2 in random effect; the significant F-test results provide substantial evidence of the suitability of regression analysis to meet the study objective.

Table 2 Panel Regression Analysis

	Model 1		Model 2	
	Dependent - ROA_{it}		Dependent - ROE_{it}	
	Coeff.	Std. Error	Coeff.	Std. Error
CSR_{it}	0.077	0.082	-0.017	0.047
LEV_{it}	0.109**	0.041	-0.090**	0.041
FS_{it}	-0.017**	0.007	0.008	0.007
Constant	0.381**	0.162	-0.491**	0.190
Industry Dummy	Included		Included	
R-Squared	0.0089		0.1627	
F	3.98***		48.73***	
N	636		636	
Hausman Test	17.77***		5.06	

***Sig at 0.01 level **sig at 0.05 level

According to the results (Table 2), the Coefficient value between CSR_{it} and ROA_{it} was 0.07, but the significant value was 0.345. Therefore, the relationship between the variables is insignificant. Finally, this study identified that the relationship between CSR_{it} and the ROA_{it} of a firm is insignificant for non-financial companies listed in CSE. Accordingly, the first Hypothesis is not supported in our study.

According to regression analysis (Table 2), the Coefficient value between CSR_{it} and ROE_{it} was -0.017, but its significant value was 0.706. Therefore, the relationship between the variables is insignificant. Finally, this study identified that the relationship between CSR_{it} and the ROE_{it} of a firm is insignificant for non-financial companies listed in CSE. This derives the overall understanding that CSR does not have a significant relationship with financial performance. Therefore, the hypothesis 1 is not supported.

The Moderation Effect of Board Characteristics on the relationship between CSR practices and ROA

The moderation effect of board characteristics on the relationship between CSR practices and financial performance is examined in the study, and accordingly, the following models 3 and 4 were developed.

$$ROA_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 BC_{it} + \beta_3 CSR_{it} \times BC_{it} + \beta_4 FS_{it} + \beta_5 Lev_{it} + \varepsilon \quad \dots (3)$$

$$ROE_{it} = \beta_0 + \beta_1 CSR_{it} + \beta_2 BC_{it} + \beta_3 CSR_{it} \times BC_{it} + \beta_4 FS_{it} + \beta_5 Lev_{it} + \varepsilon \quad \dots (4)$$

This model 3 indicates the moderating effect of Board Characteristics on the relationship between CSR practices and ROA with control variables. The significant result for the Hausman test directed to perform fixed effect panel regression to test the impact of CSR on ROA with moderating effect of board characteristics as per the model 3, and also significant F-test results provide substantial evidence to the suitability of regression analysis to meet the study objective. The following Table depicts the results of the regression analysis.

This model 4 interprets the moderating effect of board characteristics on the relationship between CSR_{it} and ROE_{it} with control variables. The below Table shows the results of Model 4 in random effect; even though a lower R^2 value appears, significant F-test results provide substantial evidence of the suitability of regression analysis to meet the study objective. Table 3 below depicts the panel regression results for models 3 and 4.

Table 3 Panel Regression Analysis- Model 3 and 4

	Model 3		Model 4	
	Dependent - ROA_{it}		Dependent - ROE_{it}	
	Coeff.	Std. Error	Coeff.	Std. Error
CSR_{it}	0.145	0.101	-0.078	0.078
$CSR_{it} \times BC_{it}$	-0.136	0.131	0.138	0.137
LEV_{it}	0.114**	0.041	-0.088	0.041**
FS_{it}	-0.017**	0.007	0.007	0.007
Constant	0.328**	0.165	-0.475	0.192**
Industry Dummy	Included		Included	
R^2		0.0094		0.1641
F-stat		2.99**		50.56***
Hausman Test		20.63***		5.98

***Sig at 0.01 level **sig at 0.05 level

According to Table 3 results, the significant value was 0.299. It means BC_{it} negatively moderates the relationship between CSR_{it} and ROA_{it} . Therefore, this study identified the board characteristics insignificantly moderate the relationship between CSR_{it} and ROA_{it} of non-financial companies listed in CSE. These findings do not support Hypothesis 3. These results further indicate BC_{it} negatively moderates the relationship between ROE_{it} and CSR_{it} . Because its significant value was 0.315, this study identified that the BC_{it} insignificantly moderates the relationship between ROE_{it} and CSR_{it} of non-financial companies listed in CSE. Accordingly, the hypothesis 4 of the study is not supported.

When considering the empirical results, Nag and Bhattacharyya (2016) confirmed the results of this study that CSR_{it} reporting may not have any significant impact on accounting and market performance. However, some other findings have argued the results derived from our study. Ben et al. (2021) revealed that CSR positively impacts firm financial performance proxy with ROA_{it} , ROE_{it} , and Tobin's Q. However, contextual differences between our study and current studies study might be the reasons to have these challenging findings.

CONCLUSIONS AND IMPLICATIONS

This research aims to examine the moderating effect of board characteristics on the relationship between CSR practices and firm financial performance in non-financial companies listed on the CSE. STATA and annual report data were used to obtain a more reliable estimate of the quality of the results. The study made strides toward closing the research gap by investigating board characteristics' theoretical and empirical role in the logically plausible link between CSR practices and firm financial performance. Therefore, this research undoubtedly helps all parties looking for new dimensions in the business world. This study's findings indicate no significant relationship between CSR practices and ROA and ROE of non-financial companies. Based on this result, the managers can make the decisions and upgrade the organization's strategies. Furthermore, as there has been a tendency to pay more attention to non-financial factors such as CSR among potential investors in recent times, the findings will benefit them. Few pieces of research examined the relationship between CSR practices and a firm's financial performance using board characteristics as a moderating variable. Therefore, the results of this research provided further support and added value to the existing literature. The scope of this study is non-financial companies listed on the Colombo Stock Exchange. Therefore, the researcher has not used financial companies in the research. This was due to the difference in the financial companies' operations and procedures. Furthermore, the scope of this study has been narrowed down to Sri Lanka because of the data availability. The researcher has restrictions on gathering international data and information. However, future researchers can consider international companies and their information.

Keywords: Board characteristics, corporate social responsibility, return on assets, return on equity

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OWNERSHIP DIVERSITY EFFECT ON FIRM PERFORMANCE: EVIDENCE FROM NON-FINANCIAL FIRMS LISTED IN COLOMBO STOCK EXCHANGE

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INTRODUCTION

Ownership diversity can be defined as the spread of ownership and control among many different types of shareholders (Roberson et al., 2017; Mayo et al., 2017). According to La Porta et al. (2000), finding the effect of ownership diversity on firms' performance is very important and exciting to all stakeholders participating in the capital market. According to Shleifer and Vishny (1986), major shareholders actively improve their financial performances to minimize their significant loss when there is a concentrated ownership structure in the business entity. In this situation, the significant shareholders attempt to maximize the firm's value by reducing information asymmetries and agency problems and recovering the business entity from financial distress (Claessens et al., 2002). In contrast, Jensen (1993) argues that when the ownership structure is concentrated (not diversified), it creates information asymmetries between major and minor shareholders. Due to creating information asymmetries between the major and minor shareholders, the major shareholders try to achieve their private benefits by ignoring the minor shareholders' interests which leads to the reduced financial performance of the business firms (La Porta et al., 2000).

In recent years, many Sri Lankan companies' ownership structure has been increasingly diverse regarding ethnicity, nationality, gender, and socioeconomic status. These diversified ownership structures have created performance problems in Sri Lankan companies during the last few years. Therefore, finding the effect of ownership diversity on firm performance is significant for all stakeholders participating in the capital market. Many research studies have been carried out to determine the impact of ownership structure on firms' performance. However, only very few studies investigate the impact of ownership diversity on the firm's performances, measured using an acceptable diversity index. In the Sri Lanka context, it is rare to find studies that investigated the ownership diversity impact on the firms' performances. Considering this research gap, the researcher used different theories, including the agency theory, stewardship theory, and entrenchment theory, to investigate how to affect ownership diversities on the firm's performance of listed non-financial companies on the Colombo Stock Exchange (CSE).

METHODOLOGY

This research study investigated ownership diversity's effect on firms' performances by taking a sample of 186 non-financial firms listed on the CSE from 2012 to 2021. The researcher used

Tobin's Q (TQ), Return on Assets (ROA), and Return on Equity (ROE) to measure the firms' financial performances. As a generally accepted indicator of measuring diversity, this study used Herfindahl-Hirschman Index to measure the ownership diversity of listed non-financial companies in the CSE. To calculate the diversity index, the researcher incorporates block holdings of domestic individual ownership percentage, domestic institutional ownership percentage, foreign individual and institutional ownership percentage, and government ownership percentage of the listed non-financial companies in the CSE. The researcher incorporated firm size, net profit margin, payout ratio, leverage, and sales growth as control variables of this study. The study used descriptive statistics to provide summary statistics on the variables of the research study. Correlation analysis was used to establish the association between variables and to investigate the impact of ownership diversity on firms' performances; three-panel regression models were used. Marginal probability analysis was also carried out to identify the likelihood of change in probability associated with the study's variables.

RESULTS AND DISCUSSION

Table 1 presents the descriptive statistics of all variables adopted in estimating the relationship between ownership diversity and financial performance on a sample of 186 firms listed on the CSE from 2012 to 2021.

Table 1 Descriptive Statistics

Variable	Observations	Mean	Median	SD	Kurtosis	Skewness	Min.	Max.
Dependent Variable (Financial Performances)								
TQ	1860	0.192	0	0.394	3.440	1.562	0	1
ROA	1860	0.053	0	0.224	16.891	3.986	0	1
ROE	1860	0.525	1	0.499	1.010	0.102	0	1
Independent Variable (Ownership Diversity)								
OD	1860	0.127	0	0.190	2.239	0.982	0	0.624
Controlling Variables								
FS	1860	6.443	6.499	0.649	4.072	0.475	3.814	8.229
PM	1860	0.722	0.081	10.567	506.506	15.263	-158.86	303.489
PR	1860	3.664	0.500	9.680	33.596	5.082	0.0007	95.770
LV	1860	0.336	0.341	0.223	2.500	0.493	0.0002	0.999
SG	1860	0.384	0.054	3.980	288.374	15.648	-14.458	92.000

The summary statistical results revealed that most non-financial companies have a non-diversified ownership structure. This finding is consistent with the results of investigations carried out by Manawaduge & Zoysa (2013) and Samarakoon (1999).

Table 2 Correlation Matrix

Variable	TQ	ROA	ROE	OD	FS	PM	PR	LV	SG
TQ	1.000	-	-	-	-	-	-	-	-
ROA	0.282	1.000	-	-	-	-	-	-	-
ROE	0.377	0.182	1.000	-	-	-	-	-	-
OD	-0.578***	-0.766***	-0.664**	1.000	-	-	-	-	-
FS	0.039	-0.070***	0.005	0.065**	1.000	-	-	-	-
PM	-0.294***	-0.024	-0.009	-0.001	0.052**	1.000	-	-	-
PR	-0.418***	-0.256***	0.043*	0.032	0.104***	0.012	1.000	-	-
LV	0.371***	0.088***	0.147***	0.078***	0.076***	-0.036	0.095***	1.000	-
SG	-0.078***	-0.0501*	.05100**	-0.007	-0.071***	-0.016	-0.011	-0.037	1.000

The correlation analysis presented in table 2 indicates that ownership diversity is negatively and significantly ($P < 0.05$) associated with the firms' performances. This finding is supported by Elstona and Yang (2010) and Dan Hu and Haiyan Zheng (2015).

Table 3 Panel Regression Results

Variables	Model 01: TQ		Model 02: ROA		Model 03: ROE	
	Fixed Effect	Random Effect	Fixed Effect	Random Effect	Fixed Effect	Random Effect
Independent Variable (Ownership Diversity)						
OD _{it}	-0.126 (80.2036)	-0.406** (37.367)	-00.783** (140.394)	0.019** (65.401)	0.478** (3655845)	-0.102** (2377460)
Controlling Variables						
FS _{it}	16.619 (34.225)	4.136** (9.754)	30.239 (59.897)	7.356** (17.025)	-646629 (2688412)	972629.8 (1648669)
PM _{it}	0.078** (0.060)	0.009 (0.053)	0.146 (0.106)	0.029 (0.093)	-32.6593 (2240.82)	-2689.65* (4243.61)
PR _{it}	0.065** (0.217)	0.219** (0.261)	0.114 (0.379)	-0.388 (0.456)	-207612.8 (172045)	-315569 (256184)
LV _{it}	-54.947 (43.107)	- 103.688*** (37.702)	-97.548 (75.440)	-183.733*** (65.952)	-2873395 (1771999)	-230313** (3169328)
SG _{it}	-2.011 (1.670)	-0.415 (0.390)	-3.518 (2.924)	-0.723 (0.684)	21669.26 (21739.5)	21879.57 (21484.12)

The results of the research study's three random effect panel regression analysis in table 3 revealed that the ownership diversity coefficient negatively and statistically ($P < 0.05$) impacts the firms' performances (TQ, ROA, and ROE) of the listed non-financial companies of the CSE. The study's regression models further revealed that the net profit margin, payout ratio, and firm size positively and statistically ($P < 0.05$) impact the firms' performances. In contrast, negative financial leverage ($P < 0.05$) affects the firms' performances negatively and statistically. This finding is supported by Shleifer and Vishny (1986); Elloumi and Gueyie (2001); Claessens et al. (2002); Parker et al. (2002) and Pathirawasam and Wickramasinghe (2012). The marginal probability analysis of the research study indicated a small probability of occurrence among the effect of ownership diversity on the firms' performances.

CONCLUSIONS AND IMPLICATIONS

Based on the above findings, it can be concluded that ownership diversity has a negative impact on the firms' performances. The main reason behind this negative impact could be the cost increase due to the incurring the monitoring cost to monitor the diversified shareholders

without creating asymmetric information to obtain the personal benefits and not ignoring the minor shareholders' interest (Elloumi & Gueyie, 2001). The increase in the cost will decrease the firm's performance. Based on the above findings, it can conclude that when ownership gets diversified, it will reduce the firms' performance of the listed non-financial companies in the CSE.

Keywords: Agency cost; Colombo stock exchange, firm performance, herfindahl-hirschman index, ownership diversity.

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STRATEGIC MANAGEMENT ACCOUNTING PRACTICE AND MANAGEMENT ACCOUNTANTS NETWORKING: THE ROLE OF ORGANIZATIONAL CULTURE AND INFORMATION SYSTEMS

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INTRODUCTION

Traditional management accounting is no longer sufficient for managers' decision-making. "Strategic Management Accounting" (SMA) includes new long-term, future-oriented, and externally focused techniques. The growing importance of information from outside the firm's boundaries has prompted more research on strategic management accounting. According to the study of Carlsson-Wall et al. (2015), SMA has developed into a well-established accounting. However, recent reviews have disclosed no universally accepted definition of SMA. An institute's prime objective in management accounting is to assist the management in their responsibilities. A management accountant should be an essential management team member with a high level of expertise (Sunarni, 2013). Management Accountants were involved in both the strategic formulation and implementation of strategic management practices (SMP). An organizational culture (OC) and information systems are essential for implementing SMPs. One of the contextual variables that may explain the success of quality management has been recognized as organizational culture (Gambi et al., 2015). Organizational culture is a set of norms, values, beliefs, assumptions, and attitudes that influence behavior within an organization (Kassem et al., 2019). Main actors in the IS development process may interpret content and objects in a way that motivates or hinders developers' actions (Chtourou & Romdhane, 2019).

According to Chtourou and Romdhane (2019), an information system (IS) plays a significant role in the organization and supports strategic alignment and performance. Prior research (Lee & Bai, 2003) has shown that IS alignment is a multidimensional construct with high complexity. This study discusses management accountants' networking and strategic management accounting practices. It will also examine the role of organizational culture and information systems. The rapid changes in the business environment have significantly impacted management accounting practices (Sunarni, 2013). In today's highly competitive world, every business must constantly ensure its long-term suitability in the global marketplace. This study is based on primary data. There was no use of a control variable in this study. Various control variables like firm size and competition can be used to evaluate the effects of SMA. As a result, the outcome will differ from the choices made for the variables.

METHODOLOGY

The selected population in this research was Management Accountants already in management accounting practice in Sri Lanka. The sampling method of this research was the non-probability method. The sampling technique was the convenience sampling technique. Data relevant to this study could be collected from primary data sources such as a survey. The quantitative research strategy was used in this study. Data were drawn from a survey of management accountants already in management accounting practice in Sri Lanka. The questionnaire was mailed to 180 business units, and 132 viable responses were received.

The researchers also considered a descriptive approach to research. Understanding the behaviour of the variables is made more accessible by descriptive statistics. To conclude, mean and frequency are utilized as strategies to examine the data. A reliability test was undertaken to improve the instrument's reliability. Validity is a measure of the degree of validity or the validity of a research instrument. Correlation and regression were used to test the hypotheses. The results of the Pearson correlation analysis show how closely the independent and dependent variables are related. The impact has been analyzed separately, the first model evaluates the independent and dependent relationship, and the second model evaluates the relationship with the moderate variable. Accordingly, the study visualized the following research model and associated hypotheses.

H₁: There is a significant impact of management accountant networking on implementing SMA practices.

H₂: There is a significant impact of IS on the implementation of SMA practices.

H₃: Information systems moderate the relationship between management accountant networking and the implementation of SMA practices.

H₄: There is a significant impact of organizational culture on implementing SMA practices.

H₅: Organizational culture moderates the relationship between management accountant networking and the implementation of SMA practices.

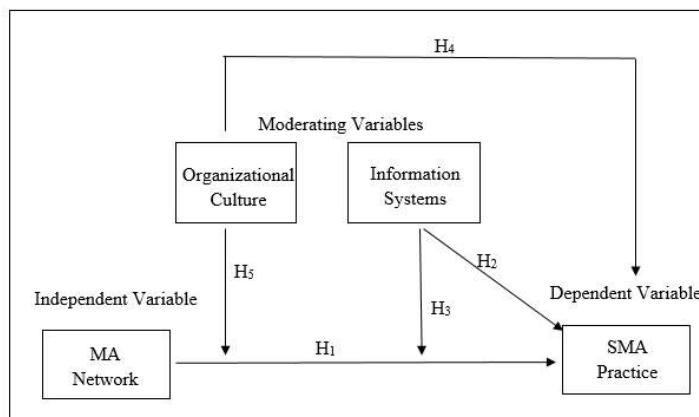


Figure 1 Conceptual Framework

RESULTS AND DISCUSSION

The study checked the face and content validity of the questionnaire at the beginning through the literature survey. In the data analysis process, confirmatory factor analysis is used to ensure the test's construct validity. According to the confirmatory factor analysis, estimates of items were more significant than 0.7. It indicated that an item explains more than 70% variation of the respective dimension. KMO values of all dimensions were more significant than 0.5. Accordingly, both estimate and KMO values were above the standard level (Estimate 0.7 and KMO 0.5) of convergent validity. Another hand, the discriminant validity of the study is also ensured through the confirmatory factor analysis. Further, the Shapiro-Wilk Test sig value (> 0.05) confirms the normality of the data set. According to the descriptive analysis, most of the responses to the questions thoroughly agree with the answers on the Likert scale.

Table 1 Descriptive Statistics

	Min.	Max.	Mean	SD
SMA Practices	3	6	4.89	0.572
MA Network	3	7	5.76	0.586
OC	4	7	5.82	0.531
IS	4	7	5.85	0.519

According to the descriptive analysis, the mean value of SMA practices, MA Network, OC, and IS were 3,3, 3 and 4, respectively. These values indicated that respondents' satisfaction with SMA Practices and MA network were near to satisfactory level, and the remaining two variables respondents at a satisfactory level. So, the mean value of this sample has been distributed to 3-4. The MA network has the most significant standard deviation (0.586), which shows that it has significantly more deviated than others. Information systems show the lowest standard deviation (0.519).

Table 2 Correlation Analysis

	SMA_Practices	MA_Network	OC	IS
SMA_Practices	1			
MA_Network	0.414**	1		
OC	0.476**	0.705**	1	
IS	0.520**	0.673**	0.739**	1

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

The correlation analysis was used to identify the relationship between independent and dependent variables, according to the correlation analysis result. The association between SMA practices and MA networking was statistically significant at the 0.01 level, with a Pearson correlation coefficient of +0.414, demonstrating that using SMA techniques and MA networking have a positive relationship. Further, SMA practices have a significant relationship with organizational culture (0.476) and information systems (0.52). In addition, the management accounting network also has a significant positive relationship with organization culture, and information systems and organization culture also have a significant positive relationship with information systems. According to the finding above, there was a clear correlation between SMA practices and organizational culture, information systems, and MA networking.

Table 3 Model Summary

Analysis Between	Model 1			Model 2		
	R	R ²	Sig.	R	R ²	Sig.
MA, SMA & OC	0.489	0.239	0.000			
MA, SMA & IS	0.527	0.278	0.000			
MA, SMA, OC & Interaction MA and OC				0.489	0.239	0.000
MA, SMA, IS & Interaction MA and IS				0.537	0.283	0.000

The study used two models to analyze the result of this study. Model 1 has evaluated the relationship between MA network and SMA practices and the relationship between OC and IS, DV, and the relationship between DV, IV, and MV. Moreover, the researcher used model 2 to evaluate the relationship between DV and IV with the moderate variables (OC & IS). According to the first model's model, R-value was 48.9%, and the R square value was 23.9%. It implies that the model was appropriate for showing the relationship between independent and dependent variables. It shows that 23.9% variance of the SMA practices was explained by the independent variables (MA and OC) 76.1% of the variation of SMA practices were unable to explain the variance of the independent. In addition, IS and MA reflects a 27.8% variation in SMA practices. However, second model MA and SMA practices with IS moderate variable reflected 28.3% of the variation of SMA practices.

Table 4 Coefficients Summary of Regression Analysis

Analysis Between	Model		Coefficient	Sig.	
SMA practices (DV), MA network (IV), OC (MV), and interaction of MA network and OC	1	(Constant)		1.000	
		MA Network	0.156	0.153	
		OC	0.367	0.001	
SMA practices (DV), MA network (IV), IS (MV), and interaction between MA network and IS	2	(Constant)		0.984	
		MA Network	0.155	0.161	
		OC	0.365	0.001	
		Interaction_MA_by_OC	-0.004	0.963	
SMA practices (DV), MA network (IV), IS (MV), and interaction between MA network and IS	1	(Constant)		1.000	
		MA Network	0.118	0.246	
		IS	0.441	0.000	
		2	(Constant)		0.742
			MA Network	0.131	0.203
IS	0.469		0.000		
	Interaction_MA_by_IS	0.082	0.335		

A positive impact on information systems that attenuate the impact of management accountant networking on the adoption of SMA practices is shown by a P-value of 0.000, which is less than 0.05. That means the IS is a moderate variable, not an independent variable. Researchers discover that quality IS has a beneficial moderating effect on the link between networking and SMA implementation. This suggests that in businesses with high-quality integrated IS, it may be simpler for management accountants who contact or communicate with other decision-

makers to suggest and implement SMA practices. Therefore, the theory was approved. The regression coefficient, which has a P-value of 0.000, which is less than 0.05 suggests that adopting SMA techniques positively impacts corporate culture. Therefore, the theory was approved. Findings support the positive effects of the organizational culture reported in the case of BSC and extrapolate them to a broader range of SMA practices.

A P-value of 0.001, which is less than 0.05, indicates a positive impact on organizational culture that moderates the effect of management accountant networking on adopting SMA practices. If the P value was significant, the variable was moderate. The study also found that organizational culture and information systems significantly shaped the relationship between SMA and the MA network.

CONCLUSIONS AND IMPLICATIONS

Management accounting procedures and the function of the management accountant inside a company have been significantly impacted by recent rapid improvements in the business environment. To survive in the market, businesses must be able to compete both locally and globally. Due to globalization, management accounting has grown from SMA, which was only used for internal data. However, the employment of SMA significantly improves several characteristics of company performance in both developed and emerging economies - such as OC and IS. The study concluded that to meet business needs, it was necessary to investigate strategic management accounting practice and management accountant networking (Hadid & Al-Sayed, 2021). According to the final result of the study, it could be identified a significant positive impact on implementing SMA practices and MA networking. Also, the study found a significant positive relationship between SMA practices and the MA network. Moreover, the organizational culture and information systems moderate the relationship between MAs and MA networks. Findings highlight the value of networking in improving management accountants' capacity to suggest and execute SMA practices. These findings support the strategy put forward in earlier studies to help management accountants reclaim their position as significant information suppliers. Management accountants must learn new management accounting techniques through networking with internal and external parties. As a result, they should be able to suggest and implement the most appropriate and practical management accounting tools to aid decision-makers in performing their tasks successfully.

Keywords: Information systems, management accounting network, organizational culture, strategic management accounting practices

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THE EFFECT OF CORPORATE GOVERNANCE ATTRIBUTES ON CAPITAL STRUCTURE: SPECIAL REFERENCE TO MATERIAL SECTOR COMPANIES LISTED ON COLOMBO STOCK EXCHANGE

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INTRODUCTION

Corporate governance is the framework that defines the relationship between shareholders, management teams, the board of directors, and all other key stakeholders, to help influence how a company operates (Danquah et al., 2022). Company governance is primarily concerned with maintaining a balance of interests between corporate investors and stakeholders. This strategy for managing a company aims to decrease agency conflicts, boost investor confidence, increase firm goodwill, and increase shareholder wealth and investment prospects. It also gives the firm the necessary direction regarding how to function and be supervised (Ngatno et al., 2021). The concept of capital structure can be defined as a balanced composition or combination of debt and equity capital (Pham et al., 2022). The capital structure decision is crucial because it directly impacts a company's profitability (Al Omairi & Matriano, 2022). According to Velnampy and Niresh (2012), a successful selection and use of capital are critical elements of the firm's financial strategy. Companies need financial resources to perform their activities and accomplish their objectives. Therefore, factors affecting capital structure should be considered carefully. There are lots of previous studies on this topic. According to the Thakolwiroj and Sithipolvanichgul (2021), CEO duality positively affects the total debt ratio.

Further, according to Sheikh (2012), the results suggest that board size is positively related to the total and long-term debt ratios. Thakolwiroj and Sithipolvanichgul (2021) found that board size negatively relates to capital structure. So, due to these contradictory arguments, it cannot identify a clear relationship between corporate governance attributes with capital structure. So, to mitigate this research gap researcher reconsiders "Does corporate governance attributes affect capital structure: special reference to material sector companies listed in CSE?"

METHODOLOGY

The population of this study is all 21 material sector companies listed on Colombo Stock Exchange. As the sample, considering all 21 material sector listed companies. However, the final sample was 17 material sector companies due to the unavailability of data. The selected period is five periods from 2017 to 2021. This quantitative research is based on secondary data and uses a deductive approach. The researcher used an outlier test before analyzing to remove the outliers. Statistical Package for STATA software will analyze the data using the following techniques. Descriptive, correlation and regression analysis were used to analyze the data. The researcher used analytical data strategies such as company annual reports,

company records, newspapers, Colombo Stock Exchange (CSE) websites, Colombo Stock exchange publications, etc.

Figure 1 below indicates the conceptual diagram which was developed based on a comprehensive literature review.

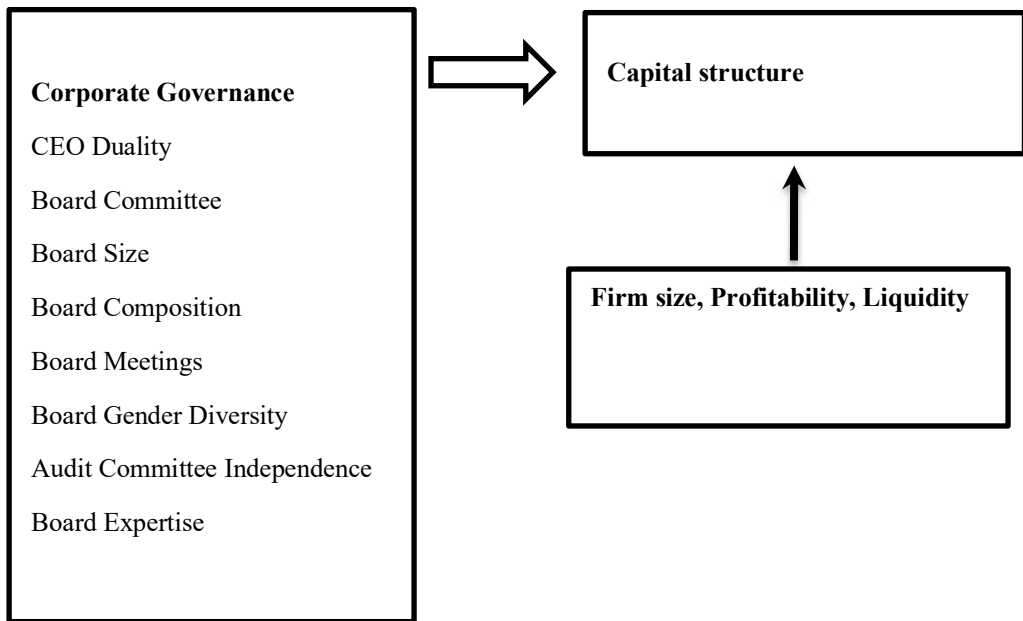


Figure 1 Conceptual Framework

The researcher was developed hypothesis base on past studies.

- H1: There is a Significant Relationship between CEO Duality and Firm's Capital Structure.
- H2: There is a Significant Relationship between Board Committee and Firm's Capital Structure.
- H3: There is a Significant Relationship between Board Size and Firm's Capital Structure.
- H4: There is a Significant Relationship between Board Composition and Firm's Capital Structure.
- H5: There is a significant relationship between board meetings and capital structure
- H6: There is a significant relationship between board gender diversity and capital structure
- H7: There is a significant relationship between audit committee independence and capital structure.
- H8: There is a significant relationship between board expertise and capital structure.

Table 1 Operationalization of Variables

Variables	Measurement	Source
CEO Duality	If the positions of chairman and the CEO were held by single person or two separate persons. (Dummy Variable “0” for combined & “1” for separate leadership)	Khatib et al., (2020)
Board Committee	Number of board appointed committees	Siromi and Chandrapala (2017)
Board Size	Number of directors in the board	Habashy (2018)
Board Composition	Number of independent non-executive directors	Habashy (2018)
Board Meetings	Total number of board of director’s meeting	Habashy (2018)
Board Gender Diversify	Percentage of women in the board	Turley and Zaman, (2004)
Audit Committee Independence	Percentage of independent non-executive directors in the audit committee	Dezoort and Salterio (2001)
Board Expertise	Number of board member with experience greater than 5 years	Charitou et al. (2016)
Capital structure	Total debt to total equity	Velnampy and Niresh (2012)
Firm size	Natural logarithm of total assets	Khatib et al. (2020)
Profitability	Profit after tax to total assets	Habashy (2018)
Liquidity	Current ratio	Buyuksalvarci and Abdioglu (2010)

RESULTS AND DISCUSSION

This section covers the results and discussion of the study.

Table 2 Results of Descriptive Analysis

	Min.	Max.	Mean	SD
DR	0.038	1.674	0.739	0.418
CEO	0.000	1.000	0.129	0.338
BCO	3.000	4.000	3.011	0.108
BSZ	4.000	9.000	7.000	1.611
BCM	0.222	0.750	0.435	0.130
BMT	3.000	7.000	4.671	0.746
BGD	0.000	0.333	0.070	0.103
ACI	0.333	1.000	0.767	0.188
BEX	3.000	9.000	7.094	1.764
FSZ	18.819	24.216	21.965	1.124
PRF	-0.090	0.281	0.083	0.079
LIQ	0.424	2.570	1.415	0.529

According to table 2, the results of descriptive analysis, the mean value of DR for the sample is 73.91%, ranging from 3.77% to 167.40%. The mean value of DR implies that nearly 73.91% of total assets are financed by debt capital.

Table 3 Results of Correlation Analysis

	DR	CEO	BCO	BSZ	BCM	BMT	BGD	ACI	BEX	FSZ	PRF	LIQ
DR	1											
CEO	.313**	1										
BCO	.135	-.042	1									
BSZ	.265*	-.044	.068	1								
BCM	.126	-.201	.159	-.466**	1							
BMT	.187	.171	.195	-.168	.127	1						
BGD	-.342**	.113	-.075	.004	-.258*	-.107	1					
ACI	.070	.246*	-.100	.233*	-.154	-.070	-.006	1				
BEX	.233*	.019	.056	.981**	-.524**	-.202	.064	.280**	1			
FSZ	.202	-.185	.117	.433**	-.088	-.009	.184	.038	.476**	1		
PRF	-.432**	-.350**	.101	-.064	-.055	.065	.054	-.064	-.059	.078	1	
LIQ	-.345**	-.224*	-.073	.128	-.212	-.192	.267*	-.064	.148	.026	.529**	1

*Correlation is significant at the 0.05 level, **Correlation is significant at the 0.01 level.

According to Table 3, results of correlation analysis, CEO duality, board committee, board size, board composition, board meetings, board expertise, audit committee independence, and firm size have a positive relationship with capital structure. Board gender diversity, profitability, and liquidity negatively affect capital structures. The board size and board expertise are significantly correlated with a DR 0.01 level of significance. The CEO duality, board gender diversity, profitability, and liquidity are significantly correlated with a DR 0.05 level of significance.

Table 4 Results of Regression Analysis

	Coef	Std.Err.	Z	P>(Z)	95 interval	Conf.
CEO	0.5665	0.1949	2.91	0.004	0.1845	0.9485
BCO	-0.1922	0.2671	-0.72	0.472	-0.7157	0.3312
BSZ	0.1118	0.1678	0.67	0.505	-0.2171	0.4408
BCM	0.8517	0.4079	2.09	0.037	0.0522	1.6512
BMT	0.1219	0.0527	2.31	0.021	0.0184	0.2254
BGD	-0.7872	0.5280	-1.49	0.136	-1.8222	0.2478
ACI	-0.0424	0.3105	-0.14	0.891	-0.6510	0.5662
BEX	-0.0740	0.1606	-0.46	0.645	-0.3890	0.2408
FSZ	0.0230	0.0454	0.51	0.612	-0.0660	0.1121
PRF	-2.0301	0.5971	-3.40	0.001	-3.2005	-0.8596
LIQ	0.0402	0.0838	0.48	0.631	-0.1240	0.2045
Cons	-0.2593	1.1306	-0.23	0.819	-2.4754	1.95670.

The regression analysis results show in Table 4. According to the Hausman test result, the p-value of the test is 0.1278. If the p-value of the Hausman test exceeds 0.05 random effect model can be applied. If the p-value of the test is less than 0.05, fixed effect models can be applied. According to that condition, the researcher has selected a random effect model to interpret regression analysis. According to the regression results, the R² value is 40.83 percent. It implies that selected corporate governance variables explain this study's 40.83 percent variation in capital structure. According to regression coefficient values, there is a significant positive effect of CEO duality on the capital structure at a 0.05 level of significance. The result is compatible with the findings of Siromi and Chandrapala (2017) scholars and Thakolwiroj

and Sithipolvanichgul (2021). So, the first hypothesis is accepted with this result. According to regression results, board composition has a significant positive effect on the capital structure at a 0.05 level of significance. This finding is similar to Somathilake and Udayakumara's (2015) findings. Based on the regression result, the fourth hypothesis is accepted. There is a significant positive effect of board meetings on capital structure. According to Thakolwiroj and Sithipolvanichgul (2021), findings supported these findings. This finding is supported by Saad (2010). Saad (2010) demonstrated a positive and significant relationship between board meetings and capital structure. However, other corporate governance variables such as board committee, board size, Board Gender Diversify, Audit Committee Independence, and Board Expertise have no significant effect on capital structure. These findings are opposite to the findings of Campbell and Mínguez-Vera (2008), Sheikh (2012), Siromi and Chandrapala (2017), Habashy (2018), and Thakolwiroj and Sithipolvanichgul (2021). According to regression results, all other hypotheses were rejected except hypotheses one, four, and five.

CONCLUSIONS AND IMPLICATIONS

This study's main objective is to examine corporate governance attributes' effect on capital structure. This result indicates that material sector companies CSE pursue a high debt ratio with a separation position in CEO and Chairperson. The results of this study also show a significantly positive impact of the debt ratio on the board committee. Moreover, this result shows that having more independent non-executive directors on the board significantly positively affects the capital structure. Corporate governance can greatly assist the material sector by infusing better management, practices, effective control and regulatory mechanism, and efficient utilization of the firm's resources through independent non-executive directors and good corporate governance resulting in improved performance. The findings of this study provided practical contributions benefiting managers, investors, and other decision-makers as it empirically revealed how corporate governance variables influence capital structure in material sector companies in Sri Lanka.

Keywords: Capital structure, Colombo Stock Exchange, corporate governance

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THE IMPACT OF AUDITOR'S INDEPENDENCE ON AUDITOR'S PERCEPTION IN COLOMBO DISTRICT

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INTRODUCTION

An audit's basic concept is independence. Many studies have been able to establish a basic standard for assessing an auditor's independence based on what an appropriate and qualified third party would deem acceptable (Wines, 2012). When auditors can perform with objectivity, impartiality, and independence from any conflicts of interest, then there is, in fact, independence. Identifying significant differences between auditors' and clients' perceptions of the auditor's independence in the circumstances involving the joint supply of audit and non-audit services has significant implications. The constantly evolving economic environment in Sri Lanka raises concerns about auditors' independence. The audit had a significant role to play in developing and improving the world economy and companies. (Al-Khaddash et al., 2013). The study's objective is to examine specific factors that impact auditors' independence from the Colombo district audit firms. The size of audit firms, the level of competition in the audit service market, the audit firm's tenure, and the size of audit fees, audit committees, and the auditor's perception are among the independent variables, and the auditor's perception is the dependent variable considered in this study. Larger audit firms are often better suited to resist management pressure. The level of competition in the external audit market is called audit market competition. It has been suggested that audit tenure, the number of continuous years or the amount of time the audit firm (auditors) has audited the client, impacts the risk of losing an auditor's independence (Baker et al., 2009). Audit fees are the amount firm's reward to their auditors to confirm the firm's consolidated accounts. An audit committee is a component of the board of directors of a firm whose responsibilities include assisting the auditors in maintaining their objectivity toward management. Through the use of a 150 survey questionnaire, a method of quantitative research was used to carry out the study. Although many of these sorts of studies are conducted around the country, there are few in the Sri Lankan context, which leads to this study (Abeygunasekera, 2011).

By empirically examining how auditors and users perceive Auditors' Independence, the current study sought to investigate the appearance standard and identify the nature of Auditors' Independence in Sri Lanka while adding to the body of knowledge regarding the factors that may threaten auditor independence and the factors that could strengthen auditor independence specifically in the Sri Lankan context. It is well known that developing nations like Sri Lanka, which also face problems with auditor independence, lack the study on this complicated matter. By identifying the factors determining external auditors' independence concerning audit firms in Sri Lanka and filling the effects total, this research will be helpful to the Sri Lankan government, business organizations, and audit firms. This will allow the relevant parties to improve the quality of financial information. The results of this study will give users

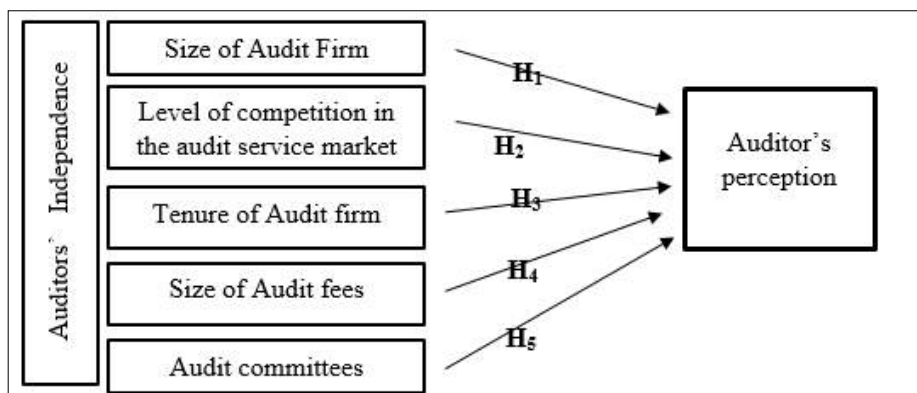
a better knowledge of the variables that affect auditor independence in Colombo district audit firms. Since the trustworthiness of financial information significantly depends on auditors' independence, they must preserve their independence and offer high-quality auditing. The accuracy of financial information will suffer without independent auditors, which might be harmful to the accounting profession in general. Furthermore, the study was used to determine how consumers of financial statements perceive auditor's independence, which can then be used to inform the standards and policies that auditors should follow to reduce the concerns arising from the perceived auditor's independence. It is, therefore, vital that auditors maintain their independence and provide a high quality of auditing. This protects the integrity of financial information, which is crucial for the prevention of corporate scandals, the continued existence of their profession, and the growth of a robust financial and capital market (Baker et al., 2009). "If an auditor is not independent, one would presume that the auditing is a waste of time and that the figures in the financial statements may be meaningless."

In recent years, media opinions on corporate scandals have tended to focus disproportionately on the question of auditor independence. These accounting crises had an inverse impact on the public 's opinion of auditors. More significantly, the issues related to independence are putting the survival of audit firms of all sizes, and it can destroy the accountancy profession in general (Baker et al., 2009). Public trust in audit reports and the auditing profession depends on auditor independence. Users of audit reports need to trust the auditors' objectivity and integrity. Without explicit independence for auditors, the auditing profession is of insufficient significance. This study examines factors that impact auditors' independence in Colombo district audit firms.

METHODOLOGY

The study developed the following conceptual framework (Figure 1) after reviewing the extant literature, followed the deductive research principles, and adopted a quantitative research method. Figure 1 illustrates the six variables' impact and auditors' independence.

Figure 1 Conceptual Framework



Based on the above conceptual Framework, H₁, H₂, H₃, and H₅ variables significantly impact the auditor's perception, and H₄, there is no significant impact on audit fees that significantly

impacts the auditor's perception. This study's population is audit firms with 204 external auditors registered under the Chartered Institute of Sri Lanka in the Colombo District. One hundred fifty respondents were employed in the research, and data were collected using a random sample technique. Data from respondents was collected using a survey questionnaire. The SPSS was primarily used to examine the data gathered. Various analysis methods were used to analyze the study findings and results after all the gathered data were entered into an SPSS file. Regression analysis, correlation analysis, and reliability and validity tests are then performed as statistical tools to examine the data. Correlation and regression analyses were conducted to fulfill the research objectives. The multiple regression analysis's findings are being used to evaluate the hypotheses.

RESULTS AND DISCUSSION

Cronbach's Alpha values range from 0 to 1, and higher values indicate greater reliability. Here, it can be pointed out that the value of all the independent variables (size of the audit firm, level of competition in the audit service market, tenure of the audit firm, size of audit fees, audit committees) and the dependent variable (auditor perception) is more significant than 0.7 and all variables are reliable. The Kaiser- Meyer-Olkin (KMO) Measure and Bartlett's Test, respectively, were used to determine that the sampling was adequate and that the data were spherical. Both variables' KMO coefficients are more than 0.6, and their Sig. Values are lower than 0.05. Results also showed enough correlations between the variables to move on. The sampling accuracy of this investigation is essential. According to Table 1 descriptive analysis, all the dependent and independent variables' means are around 4. As a result, the Colombo District auditors agreed with the auditor's independence and the auditor's perception as mean values are more than 3.

Table 1 Descriptive Statistics

	Mean	SD	Skewness
SAF	4.45	0.54	-2.58
LCASM	4.54	0.49	-1.66
TAF	4.72	0.37	-2.21
SAFs	4.56	0.43	-2.77
AC	4.51	0.53	-2.73
AP	4.46	0.56	-2.09

According to Table 2 correlation analysis, all independent variables had shown a positive and significant correlation with the auditor's perception. The size of the audit fees has weak relationship between auditor's perceptions.

Table 2 Correlation Analysis for Auditor's Independence and Auditor's Perception

	SAF	LCASM	TAF	SAFs	AC	AP
SAF	1					
LCASM	.668**	1				
TAF	.633**	.640**	1			
SAFs	.220**	.162*	.229**	1		
AC	.971**	.643**	.620**	.214**	1	
AP	.771**	.890**	.677**	.209*	.700**	1

*Correlation is significant at the 0.05 level, **Correlation is significant at the 0.01 level.

Table 3 shows the results of the regression.

	Unstandardized Coefficients			
	B	Std. Error	t	Sig.
(Constant)	-.636	.233	-2.733	.007
SAF	1.112	.125	8.868	.000
LCASM	.714	.046	15.677	.000
TAF	.136	.059	2.313	.022
SAFs	.029	.036	.805	.422
AC	-.857	.124	-6.907	.000

According to Table 3 regression analysis, there was no significant impact on the size of audit fees and auditor's perception (significant value 0.422) in Colombo district audit firms. Baker et al. (2009) found no significant impact on the size of audit fees and auditor's perception. Baker et al. (2009) there is a significant impact on the size of audit firms (significant value-0.000) and the level of competition in the audit service market (significant value – 0.000) in the Colombo district. This study significantly impacts the Tenure of the audit firm (significant value – 0.022). However, Abeygunasekera (2011) and Baker et al. (2009) found no significant impact on the Tenure of audit firms. Audit committees significantly impact this study (significant value - 0.00), and Abeygunasekera (2011) also found that significant impact on auditor's perception.

Table 4 Model Summary

R	R ²	Adjusted R ²	Std. Error
0.943	0.889	0.885	0.191
F 230.524, Sig 0.000			

The coefficient R² indicates the unit variation in the dependent variable that is explained by or recognized by all independent variables. Table 4 indicates R² was 88.9% and adjusted R² was 88.5%, which reflects the explanatory power for independent variables to explain about 88.5% of the changes in the dependent variable Auditor's perception. (Al-Khaddash et al., 2013). Generally, a higher R² value indicates a better fit for the model. Regression's sum of squares is 42.088, and table 4.12's significance value is 0.000, less than 0.05. (P-value). Table 3 shows that the study's independent variables positively impact how the study's dependent variable is determined (Al-Khaddash et al., 2013).

CONCLUSIONS AND IMPLICATIONS

This study shows the impact of four variables on auditor's independence and audit firm's independence on auditor's perception of Colombo district audit firms: The impact of auditor independence on auditor perception was not given much attention by scholars in the Sri Lankan context, while it was found that worldwide descriptions were used. This study assessed the impact of the size of audit firms, the level of competition in the audit service market, the audit firm's tenure, and the size of audit fees and audit committees received by an audit firm. The results of this study show that the Colombo district auditors strongly agreed that the size

of audit firms, the level of competition in the audit services market, audit firm's tenure, and audit committees are all critical factors that can impact an auditor's independence. The size of audit fees is one factor that has a harmful effect on the independence of the auditor. They appear to believe that in this scenario, an auditor's independence in the auditor's perception is more vulnerable to being affected. One of these situations is when the audited client pays the auditor a more significant amount in audit fees than when the auditor receives a lower amount.

Keywords: Audit firms, auditor's independence, auditor's perception

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**THE IMPACT OF BEHAVIOURAL BIASES ON MAKING INVESTMENT
DECISIONS DURING THE COVID-19 PANDEMIC PERIOD:
EVIDENCE FROM SRI LANKA**

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INTRODUCTION

The decision-making process of investors was based on more complex financial models. In the field of investment, numerous behavioural elements influence decision-making. The psychological make-up of investors and how it influences their choices with their financial decisions is one of these particularly significant factors. Most people buy stocks because they want to be part-owners of a company and want to gain when the company pays dividends or when the stock price rises. Nonetheless, most people buy stocks because they want power over the companies they work for. Behavioural finance theories, based on psychology, try to figure out how emotions and cognitive errors affect individual investors' decisions. (Luong & Ha, 2011). Behavioural finance is the current focus of most investment management research. It investigates the logically inconsistent rational conduct of individuals and organizations involved in financial market transactions. Traditional finance believes that while making a decision, investors examine all available information and act rationally (Szyszka, 2013). The COVID-19 pandemic provided another ideal scenario for investigating investors' behaviour (Ortmann et al., 2020). Furthermore, some of the recent studies have explored the turmoil brought on by the epidemic in the financial markets and its effects on investors, highlighting the importance of better-comprehending investor behaviour (Al-Awadhi et al., 2020; Okorie & Lin, 2021). On this regard, it is also noted that behavioural factors and associated cognitive errors should be used to study the severe volatility and market meltdown during COVID-19. In response to these concerns, the current study examines the behavioural biases of investors and how those biases affect the investors' investment decisions during the COVID-19 pandemic.

METHODOLOGY

The study aims to identify behavioural factors' impact on investment decisions during the COVID-19 individual investors living in Kurunegala district, Northwestern Province, Sri Lanka. The independent variables are Representativeness (RP), Overconfidence (OC), Herd Effect (HE), and Market Factors (MF), while investment decision-making (ID) is the dependent variable. After Performing a Comprehensive literature survey, the following hypothesis was developed to examine the impact of behavioural factors on making investment decisions during the COVID-19. The findings of Rehan et al. (2021); Cao et al. (2021) and Wijaya (2021) were mainly based on developing the following hypothesis.

H₁: There is a significant positive impact of Representativeness on Investment Decisions of CSE investors during the COVID-19 period.

H₂: There is a significant positive impact of Overconfidence on Investment Decisions of CSE investors during the COVID-19 period.

H₃: There is a significant positive impact of the Herding Effect on the Investment Decisions of CSE investors during the COVID-19 period.

H₄: There is a significant positive impact of the Market Factor on Investment Decisions of CSE investors during the COVID-19 period.

The results of this study were subjected to quantitative analysis, in which statistical methods such as descriptive statistics, correlation analysis, and multiple regression analysis were utilized. The primary data were collected through the use of a structured questionnaire that was based on a Likert scale with five points. The questionnaire was given to a random sample of 155 individual investors who live in the Kurunegala district of the northwestern province of Sri Lanka. The operationalization of variables for the present study is as follows;

Table 1 Operationalization of the Variable

Variable	Measurement	Past Studies
Independent variables		
Representativeness	- Historical earning of the company - Past performance of the stock - Consistency of firm - Buy hot stocks and avoid stocks that performed poorly in the near past.	Cao et al., (2021)
Overconfidence	- Experienced investor - Expert knowledge and skills - Self-confident over others - Satisfaction with the benchmarking' position - Willingness to get consultations	Cao et al., (2021)
Herding Effect	- Choice of stock to the trade of other investors - The volume of stocks to the trade of other investors' decisions - Buying and Selling decisions of other investors - Speed of herding	Rehan et al., (2021); Rajeshwaran 2020); Cao et al., (2021)
Market Factors	- Price changes - Market information - Past trends of stocks - Customer preferences - market fundamentals	Rehan et al., (2021); Rajeshwaran (2020)
Dependent variable		
Investment Decisions Making	- Return and expectation - Satisfaction with investment decisions - Choosing stock volume - Risk diversification	Rehan et al., (2021); Rajeshwaran 2020); Cao et al., (2021)

RESULTS AND DISCUSSION

The reliability of the questionnaire was at a satisfactory level since all Cronbach's alpha values of variables meet the standard for internal consistency at a value of 0.70 or above (Hair et al., 1998). Table 2 shows that all constructs in this study are reliable to conduct the study with Cronbach's alpha figure above 0.70.

Table 2 Reliability Tests

Variable	Cronbach's Alpha
Representativeness	0.866
Overconfidence	0.893
Herding Effect	0.827
Market Factors	0.904
Investment Decision	0.871

The study's validity was investigated through the Kaiser–Meyer–Olkin (KMO) test and the Bartlett test of sphericity. These tests are used to determine the adequacy of the item correlation matrix, which is the basis for factor analysis. The values derived from these two tests are presented in Table 3.

Table 3 Validity Test

Variable	KMO	Bartlett's Test		
		Chi-Square	df	Sig.
Representativeness	0.801	292.262	6	0.000
Overconfidence	0.879	421.140	10	0.000
Herding Effect	0.797	221.670	6	0.000
Market Factors	0.878	553.692	15	0.000
Investment Decision	0.771	317.439	6	0.000

The KMO coefficient for this dataset fell at the meritorious level between 0.8-0.9, exceeding the recommended value of 0.6 (Kaiser, 1960), indicating that the sample is adequate. The Kaiser–Meyer–Olkin measure of sample adequacy (KMO) satisfied the assumptions of exploratory factor analysis (EFA). The approximate Chi-square is 6 degrees of freedom, and Bartlett's Test of Sphericity is significant at 0.000, which is less than 0.05 (Cerny & Kaiser, 1977), indicating that the properties of the correlation matrix justified factor analysis to be used. Hence, Factor Analysis is considered an appropriate technique and valid for further data analysis. The data were statistically analyzed using descriptive, correlation, and regression analysis. Table 4 shows the descriptive statistics of the variables.

Table 4 Descriptive Analysis

	Mean	SD	Skewness		Kurtosis	
			Statistic	Std. Error	Statistic	Std. Error
Representativeness	4.301	0.640	-3.448	0.195	14.686	0.387
Overconfidence	3.767	0.855	-1.023	0.195	0.708	0.387
Herding Effect	4.212	0.627	-2.835	0.195	10.542	0.387
Market Factors	4.386	0.609	-3.517	0.195	15.946	0.387
Investment Decision	4.303	0.691	-2.895	0.195	9.655	0.387

Descriptive Analysis indicates that the average of Market Factors is 4.386 with a standard deviation of 0.608 and high relative importance. Market factors have the highest mean value. Three independent variables of Representativeness, Overconfidence, and Herding Effect also have high relevance importance with the mean value of 4.301, 3.767, and 4.212 with a standard deviation of 0.640, 0.855, and 0.627 in orderly. Since all selected variables are relatively high, the respondents agreed with the statements.

Table 5 Correlation Analysis

Variables	RP	OC	HE	MF	ID
RP	1				
OC	0.191*	1			
HE	0.787**	0.257**	1		
MF	0.843**	0.196*	0.810**	1	
ID	0.769**	0.225**	0.783**	0.807**	1

Note: * Correlation is significant at the 0.05 level (2-tailed), ** Correlation is significant at the 0.01 level (1-tailed)

According to Table 5, overconfidence and investment decisions are correlated significantly and weak positively, with a coefficient value of 0.225. On the other hand, the correlation between representativeness, herding effect, and market factors with individual investment decisions reported a significant and strong positive relation (0.769, 0.783, and 0.807), respectively.

Table 6 Multiple Regression Analysis

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
(Constant)	-0.053	0.243	-0.218	0.828
Representativeness	0.205	0.093	2.196	0.030
Overconfidence	0.027	0.037	0.725	0.470
Herding Effect	0.340	0.089	3.832	0.000
Market Factors	0.442	0.103	4.281	0.000

Note: R 0. 843; R² 0.710; SE = 0.376

As shown in Table 6, the results indicate that overconfidence (B = 0.27, sig= 0.470) has no significant impact on individuals' investment decisions. The result was consistent with Gamage et al. (2021). With a significance value of 0.03, representativeness significantly positively impacts individual investment decisions on the CSE. The Herding Effect's impact on individual investors' investment decisions is also significant and positive. This is similar to the conclusion drawn by Rehan et al. (2021). Individual market factors have more impact on investment decision-making at CSE. The impact is positive by 44.2%. Similar outcomes are demonstrated by Cao et al. (2021).

The COVID-19 pandemic has increased the volatility of funds used chiefly for investments in hazardous assets, such as stock instruments traded on the capital market. Understanding human behaviour, especially investor behaviour, is a crucial component of behavioural finance (Wijaya, 2021). Post COVID-19 Financial markets around the world have altered,

which has had a variety of effects on investor decision-making. Traditional investments, such as storing money in banks, purchasing fixed-term deposits, and purchasing prize bonds or gold bars, are now obsolete in the current environment. Investors are now more cautious than before COVID-19; they choose to sell stocks that fell during the epidemic and want to take advantage of the chance for more significant returns now that these markets are picking up steam (Rahim et al., 2021). According to the findings of many other scholars in this field, it has been revealed that behavioural factors or the nature of investors' perceptions highly affect investment decision-making. The present study demonstrates a positive relationship between behavioural factors and investor decision-making.

CONCLUTIONS AND IMPLICATONS

The current scenario of the COVID-19 pandemic changes the economic environment worldwide. The study aimed to examine how different behavioural biases such as Representativeness, overconfidence, Herding Effect, and Market factors affect the investor's investing choices during COVID-19. The regression results show that overconfidence has no significant impact on the individual investment decisions of investors. Therefore, individual investors at the CSE should be overconfident at an acceptable level to utilize their skills and knowledge in certain circumstances to improve the investment results. Meanwhile, the Representativeness, Herding Effect, and Market Factors significantly impact the individual investment decisions of investors at CSE. In conclusion, investors make decisions using a rational approach, but psychological factors also influence their investment behaviour. The study contributes to the knowledge of behavioural factors on investment decision-making in the Colombo Stock Exchange. Further, it believes that the results of this study help to explore the existing knowledge of behavioural finance and widen the boundaries in understanding market functions and influencing forces for investment decisions. This paper demonstrates that policymakers should carefully examine and consider the relevant bias before making policy changes. Policymakers and administrators of the companies can identify which factors are focused on by investors to make their investment decisions. Policy commitment is needed to be in place to protect the welfare of the investors and the efficiency of the financial markets. The study can be valuable for building sustainable investment management practices that will benefit the investing society.

Keywords: COVID-19, herding effect, market factors, overconfidence, representativeness.

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**THE IMPACT OF FINANCIAL PLANNING AND CONTROL ON THE
FINANCIAL PERFORMANCE OF SMALL AND MEDIUM-SCALE BUSINESSES
IN THE BADULLA DISTRICT**

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INTRODUCTION

Finance has been regarded as one of the leading solutions to causing an effective form of business and efficiently harnessing business prospects to aid business growth. Controlling financial resources without a plan can even lead to business bankruptcy. For instance, financial planning involves analyzing the financial flows of a firm as a whole, forecasting the consequences of various investments, financing, and dividend decisions, and weighing the effects of various alternatives (Mwaura, 2013). Despite the widespread use of annual budgets in financial planning and control in most businesses worldwide, studies have paid little attention to the potential connection between such planning and performance. Most research has been on the disparities between strategic planning and performance (Donkor et al., 2018; Baker & Leidecke, 2001). The control part of planning in small and medium-sized enterprises (SMEs) and its potential effects on performance appear to have received little consideration. This highlights a significant shortcoming in earlier planning and performance research considering SMEs. It is essential for managers of small-scale businesses because they are the ones who seek funding, and the opportunity cost of funding is typically on the higher side for them. In reviewing the literature, some previous studies have highlighted that many SME businesses go bankrupt soon after starting as they encounter various financial difficulties. For example, hefty credit costs and high bank charges are among them (Jeevanthia & Bhavan, 2020). Moreover, according to Gibson and Cassar (2005), these smaller companies' management has little to no knowledge of the subject, and those with less education are less likely to have plans. As a result, the current study will contribute to filling the empirical gap by examining the impact of financial planning and control on the financial performance of SMEs in Badulla District in Sri Lanka.

METHODOLOGY

The population consisted of 4927 registered SMEs in the Badulla district (Local government institutes, 2016). The study used a random sampling method to determine the sample size of 200 SMEs in the same district (to cover 15 Divisional Secretariat Divisions). The questionnaire was developed based on existing literature and previous quantitative studies to collect primary data from selected respondents. As shown in Figure 1, the detailed evaluation of the literature applied in the previous studies offers helpful direction for developing a conceptual framework that makes it simpler to carry out this investigation successfully. Financial planning and controlling were used as a proxy of the independent variable, including

risk management, cash budgeting, and cash control. In contrast, the dependent variables are returns on assets (ROA) and returns on equity (ROE) as financial performance indicators.

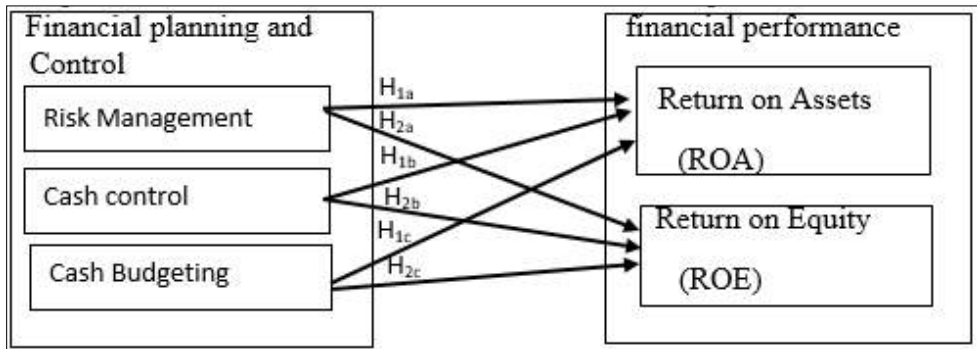


Figure 1 Conceptual Framework

In order to examine the impact of financial planning and control on the financial performance of SMEs in the Badulla district, the researcher used descriptive statistics, correlation analysis, and multiple regression analysis. The study used equations 1 and 2 of multiple regression models to test the main arguments.

$$ROA = \alpha + RM + CC + CB + \epsilon \dots\dots(1)$$

$$ROE = \alpha + RM + CC + CB + \epsilon \dots\dots(2)$$

Where;

RM – Risk Management

CC – Cash Control

CB – Cash Budgeting

ROA – Return on Assets

ROE – Return on Equity

RESULTS AND DISCUSSION

In order to determine the inter-item correlation in each of the questionnaire variables, the study conducted a reliability test and the Table 1 shows the results of reliability test.

Table 1 Results of Reliability Test

Variables	No of Items	Cronbach's Alpha
RM	6	0.785
CB	6	0.827
CC	6	0.897
ROA	6	0.868
ROE	5	0.796

As all the Cronbach’s Alpha values are between 0.7 and 1 and it indicates that all the questions which are used to measure both independent and dependent variables were internally consistent.

Table 2 Descriptive Statistics

Variable	Min.	Max.	Variance	Mean	SD
RM	2.000	5.000	0.188	4.533	0.433
CB	2.500	5.000	0.202	4.461	0.449
CC	2.000	5.000	0.279	4.447	0.527
ROA	2.330	5.000	0.200	4.497	0.447
ROE	2.400	5.000	0.218	4.498	0.466

The descriptive statistics Table 2 shows the behaviour of the data set with the mean values of each variable, the standard deviation of each variable, and the minimum and maximum percentage of used data.

Table 3 Correlation Results

	RM	CB	CC	ROA	ROE
RM	1				
CB	.610**	1			
CC	.544**	.601**	1		
ROA	.589**	.537**	.565**	1	
ROE	.635**	.575**	.618**	0.000	1

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

Table 3 shows a significant positive correlation between risk management, cash budgeting, and cash control with ROA. The same results were reported with risk management, cash budgeting, and cash control as a significant positive relationship with ROE.

Table 4 Model Summary

Model	R	R ²	Adjusted R ²	Std. Error
ROA	0.667	0.446	0.437	0.335
ROE	0.722	0.522	0.514	0.335

According to Table 4, the model's R², or the coefficient of determination, is reported as 0.446. It indicated that risk management, cash budgeting, and cash control were found to explain 44.6% of the variation in the dependent variable ROA in the consideration. Similarly, all the independent variables contained in financial planning and controlling were explained for 52.2% of the variation in the dependent variable ROE.

Table 5 Regression Coefficients

Model	Unstandardized Coefficients			t	Sig.
	Variable	B	Std. Error		
ROA	(Constant)	1.135	0.274	4.145	0.000
	RM	0.347	0.072	4.820	0.000
	CB	0.159	0.073	2.181	0.030
	CC	0.243	0.059	4.136	0.000
ROE	(Constant)	0.720	0.265	2.713	0.007
	RM	0.387	0.070	5.546	0.000
	CB	0.165	0.071	2.339	0.020
	CC	0.289	0.057	5.091	0.000

According to Table 5, while other variables remain constant, the risk management would be increased by 0.347 units when ROA increased by one unit. Correspondingly, cash budgeting and control both implied a positive relationship with ROA. The results of each independent variable indicated a significant positive impact on the dependent variable (where $P < 0.000$). The same results were obtained at the financial performance measurement of ROE, as shown in Table 5. Following the multiple regression analysis findings, the models below can be articulated.

$$\text{ROA} = 1.135 + 0.347(\text{RM}) + 0.153(\text{CB}) + 0.243(\text{CC})$$

$$\text{ROE} = 0.72 + 0.387(\text{RM}) + 0.165(\text{CB}) + 0.289(\text{CC})$$

Ultimately the findings of the study proved that there is a significant positive impact of financial planning and control on the financial planning of SMEs in the Badulla district. When comparing the previous findings at the consideration, the same results can be found at large (Olalere & Omar, 2016; Olamide, 2015). Results show that risk management has a positive impact on ROA. Additionally, cash budgeting and cash control have a positive impact on ROA. This outcome has also been supported by previous research (Olugbenga et al., 2020; Abbas & Abu, 2019; Atieno, 2013; Kwame et al., 2013). More precisely, at risk management, Adebayo and Onyeiwu (2018) and Rosilyn (2007) also showed a significant impact on ROE. In addition to that, the significant positive impact obtained with cash budgeting and cash controls was similarly proved by Regina (2012) and Sivakumar (2015).

CONCLUSIONS AND IMPLICATIONS

This study examined the impact of financial planning and control on the financial performance of SMEs in the Badulla district. To achieve this objective, data regarding the dependent and independent variables were collected from primary data sources (through the questionnaires) from selected 200 SMEs in the Badulla district. Risk management, cash budgeting, and cash control are independent variables, and ROA and ROE are the study's dependent variables. The study also used a quantitative approach to analyze data. The regression was conducted using ANOVA analysis and coefficients as the primary analysis tools to test the developed hypothesis. Discoveries from the study determined that a positively significant relationship exists between financial planning and the financial performance of small-scale business firms in the Badulla district; also, the study revealed that risk management, cash budgeting, and cash control significant effect on the financial performance of small scale business firms in Badulla district. Based on these findings, the study concludes that efficient and effective financial planning will result in the financial success of small-scale business firms in the Badulla district. Hence, it is expedient that the management of business firms should develop a risk policy to ascertain a good risk appetite for business firms and consequently reduce the financial losses of small-scale business firms in the Badulla district. Furthermore, the management of business firms should prepare a financial plan to avoid unnecessary expenditures and improve the financial performance of small-scale business firms. Finally, cash allocation, disbursement, and cash management generally should be accorded an increased focus. This will ensure the long-term liquidity and effective financial performance of the firm. Additionally, to serve future needs, it is suggested to include respondents from all business types and in various sectors such as banks and financial institutions, government institutions, and companies to replicate the studies more precisely at large.

Keywords: Financial planning and control, financial performance, small and medium scale business

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**THE IMPACT OF THE CORPORATE GOVERNANCE ON THE VALUE
RELEVANCE OF ACCOUNTING INFORMATION IN LISTED FIRMS IN
COLOMBO STOCK EXCHANGE**

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INTRODUCTION

Over the past twenty years' corporate governance (CG) systems and practices have gained significant attention because of the numerous business scandals that have occurred around the world. Regarding governance, weak CG is perceived as a structural flaw in most Asian economies and was considered the leading cause of the 1997 Asian economic crisis (Nam et al., 1999). The ability of accounting numbers to explain market price per share is known as value relevance. Beisland (2009) describes value relevance as the capability of financial statement information to tap and summarize firm value. Although investors rely on accounting information for investment objectives, the quality of this information should be reliable and of high quality, as financial accounting information has a significant impact on share prices. Furthermore, CG is supposed to help companies perform better. However, companies listed on the stock exchange must follow the code; it would be interesting to investigate the impact of CG on value relevance, especially since good governance is an essential topic in Sri Lanka these days.

This study contributes to the investors making decisions before allocating resources to companies, whether company financial statements show their actual performance for the current period or not. Moreover, on the other hand, this study answers, is CG improving the quality of accounting information in the Sri Lanka context? It is essential to all parties who use financial information, such as academics, industries, etc. Furthermore, by effectively utilizing accounting information, shareholders can make the best decision possible. Financial statements provide information to users (investors, creditors, and so on) to aid in the decision-making process and motivate value relevance. This study is based on Ohlson's (1995) price regression model to explain the value relevance of accounting information. It explains market value per share using earnings per share and book value of equity per share.

This study was motivated by the mixed results of several studies on CG on the quality of accounting information; some scholars have found a positive relationship between corporate governance and the value relevance of the accounting information (Almujamed & Alfraih, 2020; Bin Khidmat et al., 2018; Fatima et al., 2018; Krismiaji & Surifah, 2020). Meanwhile, there are some negative relationships (Balagobei, 2018; Kalantonis et al., 2021). The results reveal that board independence and ownership structure significantly influence the value relevance of accounting information of listed hotels and travel in Sri Lanka. In contrast, firm leverage influences the value relevance of accounting information. There is a paucity of research on CG on the value relevance of accounting information in the context of Sri Lanka.

The main objective of this paper is to examine the impact of CG on the value relevance of accounting information in listed firms on the Colombo Stock Exchange (CSE).

METHODOLOGY

This study was based on the secondary data and data gathered from audited financial statements of the selected listed CSE companies published from 2017 to 2021. The researcher conducted the statistical analysis as the research follows a quantitative approach. This research used the deductive approach to investigate the research problem because hypotheses are developed based on existing theories. Related previous studies have pointed out several variables to explain the impact of corporate governance on the value relevance of accounting information. According to this study, the independent variables are board size (B_{SIZE}_{it}), board independence (B_{ODIND}_{it}), audit committee size (AC_{SIZE}_{it}), audit committee independence (AC_{IND}_{it}), and the dependent variable is share price (SP_{it}). The control variables are earning per share (EPS_{it}) and book value per share ($BVPS_{it}$).

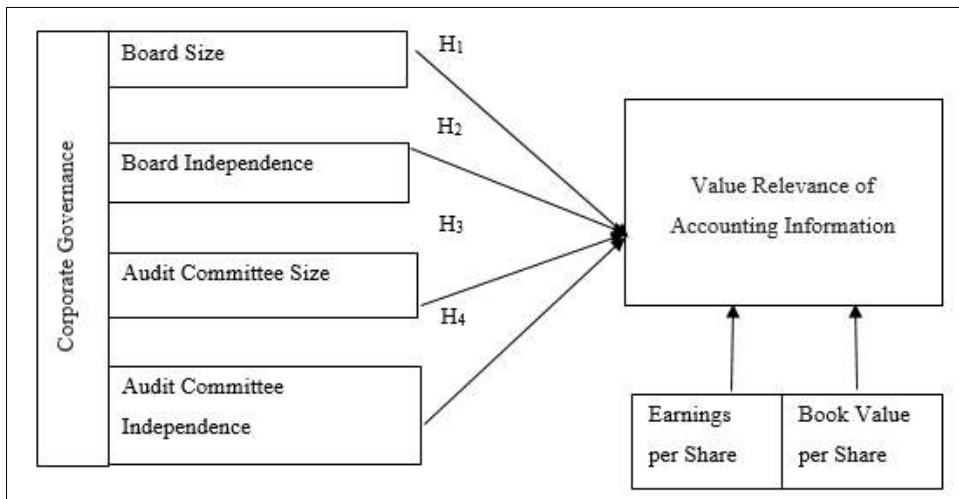


Figure 1 Conceptual Framework

Based on the conceptual framework, the four hypotheses are developed: H₁: BSIZE has a significant impact on the value relevance of accounting information in listed firms in CSE, H₂: BODIND has a significant impact on the value relevance of accounting information in listed firms in CSE, H₃: ACSIZE has a significant impact on the value relevance of accounting information listed firms in CSE, H₄: ACIND has a significant impact on the value relevance of accounting information listed firms in CSE. The total population consists of 288 listed companies. Even though all types of enterprises may engage with CG, only publicly listed companies are evaluated in this study. This study focuses on only companies with a financial year ending 31 March. Sectors of the bank, insurance, and diversified financials are excluded in this study. Because it is a highly regulated sector and previous scholars excluded the banking sector. Accordingly, the sample consists of 126 CSE-listed companies. The

correlation and regression analyses were performed to achieve the research objectives. The hypotheses are interpreted based on the results of the multiple regression analysis.

RESULTS AND DISCUSSION

In order to satisfy the objectives of this study, data cleaning and screening techniques, diagnostic test analysis (i.e., testing for linearity, normality, multicollinearity, and heteroscedasticity), descriptive statistics, and multivariate analyses were performed. According to the descriptive analysis, the average value of $BSIZE_{it}$, $BODIND_{it}$, $ACSIZE_{it}$, and $ACIND_{it}$ are higher than their standard deviation. It represents that they fluctuate by a significant amount in sample companies. As per the correlation analysis, it can be noted that share prices are positively correlated with EPS and BVPS but negatively related with $BSIZE_{it}$, $BODIND_{it}$, $ACSIZE_{it}$, and $ACIND_{it}$.

Table 1 Result of Random Effects Model (Multiple Regression Analysis)

Model	Coefficient	Standard Error	t Value	Significant
Constant	111.453	56.928	1.960	0.050
BSIZE	-0.539	1.849	-0.290	0.771
BODIND	-137.284	39.814	-3.450	0.001
ACSIZE	-0.471	3.448	-0.140	0.891
ACIND	102.172	28.920	3.530	0.000
EPS	0.961	0.308	3.120	0.002
BVPS	0.012	0.004	3.060	0.002
R ²	0.178			
Prob>chi ²	0.078			

Table 1 presents the multiple regression summaries. Based on the Hausman test results, the random-effect panel regression model was chosen as the appropriate effect for the current investigation. The respective R² value of 0.178 denotes that 17.8% of the observed variability in share price can be explained by the differences in variables, namely $BSIZE_{it}$, $ACSIZE_{it}$, $BODIND_{it}$, $ACIND_{it}$, EPS_{it} , and $BVPS_{it}$. This model demonstrates that the coefficient for each of the four variables - $BODIND_{it}$, $ACIND_{it}$, EPS_{it} , and $BVPS_{it}$ is significant at the 0.05 level, demonstrating that these factors have a considerable impact on SP_{it} . The coefficient of $BSIZE_{it}$ and $ACSIZE_{it}$ indicate that these variables do not affect the value-relevance of the accounting information measure of SP_{it} . According to the regression analysis, there was no significant impact of $BSIZE_{it}$ on the value relevance of accounting information (significant value - $p > 0.05$) of listed firms in CSE. Therefore, there is no significant impact of $BSIZE_{it}$ on the value relevance of accounting information in Sri Lanka (Balagobei, 2018). Moreover, there was a significant negative impact of $BODIND_{it}$ on the value relevance of accounting information (significant value - $p < 0.05$) (Balagobei, 2018). According to regression analysis, there was no significant impact of $ACSIZE_{it}$ on the value relevance of accounting information (significant value - $p > 0.05$) (Bahri et al., 2013). According to the test results, the $ACIND_{it}$ has a positive impact on the value relevance of accounting information (significant value - $p < 0.05$) (Ibanichuka & Captain Briggs, 2018).

CONCLUSIONS AND IMPLICATIONS

This study aimed to investigate the impact of corporate governance, specifically the effects of different corporate governance structures, on the value relevance of accounting information in listed firms in CSE. The findings highlighted that independence of the board, independence of the audit committee, EPS, and book value per share significantly affect the share price in listed companies in Sri Lanka. Results further show that CG is also an essential determinant of the value-relevance of accounting information. The study's findings have implications for both practitioners and policymakers. It gives information about the CG characteristics and accounting factors that affect a firm's market value. The study's findings thus imply that it is essential to ensure businesses follow the CG code. The study has several restrictions. This study included only five years of details of 126 non-financial listed companies is the limitation of this study. Larger sample size and the development of governance variables in future studies can lead to more accurate findings. In addition, the time frame of conduct to study is another limitation to collecting data. In the Sri Lanka context, there is a paucity of research in corporate governance on the value relevance of accounting information. The independent variable for corporate governance also only took into account board characteristics. The coverage of a few key control variables has to be expanded when examining how corporate governance impact the value relevance of accounting information in this study.

Keywords: Accounting information, Colombo Stock Exchange, corporate governance, value relevance

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THE IMPACT OF THE QUALITY OF INTERNAL CONTROL SYSTEM ON THE REAL EARNINGS MANAGEMENT: EVIDENCE FROM EMERGING CONTEXT

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INTRODUCTION

The information is the foundation of a firm's decision-making. The direction, bias, irrelevance, and defection of information may lead to erroneous conclusions and harm decision-makers (Salehi et al., 2020). Therefore, to help make the right decisions, a company releases its written records that convey the business activities and the financial performance of a company as financial statements. To become valuable and meaningful information, financial statements must include qualitative and quantitative characteristics. Users of financial statements are satisfied with their expectations when the financial statements are highly understandable, relevant, reliable, and comparable. To ensure the integrity of financial statements, ensure the reliability of financial statements and ensure the financial statements are free from significant misstatement, a company implements mechanisms, rules, and procedures known as internal control. However, when the company's internal control system is not robust, managers tend to manipulate financial data and make fraudulent procedure to financial statements to present an overly optimistic view and improve the company's financial position. In earning management theories, discuss those procedures. Accrual earnings management refers to managing earnings according to accounting principles. In contrast, real earnings management (REM) refers to managing earnings according to the firm's actual operational operations (Darmawan et al., 2019). Managers employ these strategies to increase earnings to affect market valuation and, eventually, the firm's value (Darmawan et al., 2019). According to Roychowdhury (2006), REM refers to the manipulation practices or actions introduced in real operational activities to attain short-term financial goals. Real activity-based earnings management is highly likely to harm various stakeholders by misrepresenting normal operating activities rather than accrual-based earnings management (Dissanayake & Ajward, 2019).

The purpose of manipulating earnings is to make a firm's financial statements reflect what the corporation wants its performance to seem like rather than what it performs. This presents a company's business activity, and financial position in an unrealistically favorable view is majorly affected the company's future. This may cause to provide opportunities to misappropriate company assets, and ultimately it may cause the company's existence. However, if there is a strong internal control system, managers may not be able to do such a manipulation. According to Guo and Chen (2020), one of the internal control objectives is to improve the accuracy of financial reporting. Accordingly, effective internal control can reduce the risk of accounting and financial reporting errors due to unintentional procedures and estimating errors, lower the risks associated with business operations and strategy, and discourage earnings.

Numerous earlier researchers have conducted studies on the subject of the current research theme at the international level (Yan, 2019; Xu & Kim, 2021; Wali & Masmoudi, 2020; Chen et al., 2020), and their findings mainly revealed that the quality of internal control system harms REM. However, a lack of studies has been found in the Sri Lankan context. Therefore, the present study aimed to examine whether the quality of the internal control system of listed non-financial companies in Sri Lanka impacts REM behavior.

METHODOLOGY

This section explains the research methodology of this study, where the sample selection procedure, data collection, the conceptual framework, and operationalization of the variables and measurements are elaborated. Since this study aimed to investigate the impact of the quality of the internal control system on REM, a quantitative approach was followed. The study by Wali and Masmoudi (2020) and other notable recent studies both adopted a similar methodology. This study used a sample of 140 non-financial companies listed on the Colombo Stock Exchange covering the period 2017 to 2021 based on information available, the financial period ending 31st March, and being listed throughout the selected period. No biases were observed based on the omitted firms.

Figure 1 below indicates the conceptual diagram developed based on the comprehensive literature review.

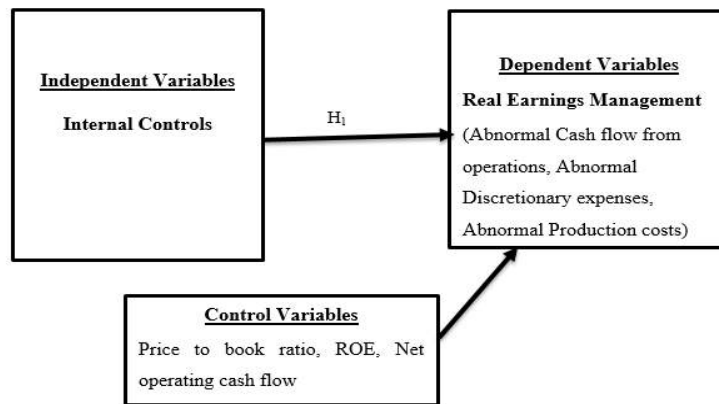


Figure 1 Conceptual Framework

Based on the variable structure, the conceptual framework illustrates the arrangement and relationships of critical variables. Accordingly, the following hypothesis was developed:

Hypothesis: The quality of the internal control system of listed companies affects the REM.

Table 1 below illustrates the operationalization of the selected dependent, independent and control variables.

Table 1 Operationalization of Variables

Variable	Measurement	Related Studies
Internal Control (<i>ICS_{i,t}</i>)	IC Index (Note 01)	Liu and Kong (2020)
Real Earning Management (<i>REAM_{i,t}</i>)	Abnormal cash flow from operations <i>i,t</i> , Abnormal production cost <i>i,t</i> , Abnormal discretionary expenses <i>i,t</i> ,	Cho and Chun (2015)
Abnormal Production Costs (<i>PROD_{i,t}</i>)	$PROD_{i,t}/A_{i,t-1} = \alpha_0 + \alpha_1/A_{i,t-1} + \alpha_2 S_{i,t}/A_{i,t-1} + \alpha_3 \Delta S_{i,t}/A_{i,t-1} + \alpha_4 \Delta S_{i,t-1}/A_{i,t-1} + \varepsilon_{i,t}$	Wali and Masmoudi (2020); Yan (2019)
Abnormal Cash Flow from operations (<i>CFO_{i,t}</i>)	$CFO_{i,t}/A_{i,t-1} = \alpha_0 + \alpha_1/A_{i,t-1} + \alpha_2 S_{i,t}/A_{i,t-1} + \alpha_3 \Delta S_{i,t}/A_{i,t-1} + \varepsilon_{i,t}$	Liu and Kong (2020); Yan (2019); Roychowdhury (2006)
Abnormal Discretionary Costs (<i>DISEXP_{i,t}</i>)	$DISX_{i,t}/A_{i,t-1} = \alpha_0 + \alpha_1/A_{i,t-1} + \alpha_2 S_{i,t-1}/A_{i,t-1} + \varepsilon_{i,t}$	Li et al. (2020); Wali and Masmoudi (2020)
Return on Equity (<i>ROE_{i,t}</i>)	Average balance of net profit/stockholder's equity	Yan (2019); Li et al. (2020)
Price to Book ratio - (<i>PBR_{i,t}</i>)	The ratio between share price and its book value of firm i for the period t.	Wali and Masmoudi (2020)
Net operating cash flow (<i>CFO_{i,t}</i>)	Net operating cash flow/Total assets	Liu and Kong (2020)

Note 01: The study's independent variable, which is the quality of the internal control system, has been measured via the internal control reporting quality. It has calculated by using an audit opinion issued by an external or internal auditor as to the quality and accuracy of the financial statements prepared by an enterprise (Thanh & Cheung, 2010; Chen et al., 2018).

In order to satisfy the objectives of this study, data cleaning and screening techniques (i.e., winsorization and treating of missing data), diagnostic test analysis (i.e., testing for linearity, normality, multicollinearity, and heteroscedasticity), descriptive statistics and Multivariate analyses were performed. The findings obtained by applying these analyses are discussed in the next section.

RESULTS AND DISCUSSION

The results of the descriptive analysis, correlation analysis, and the ordered logistics and panel versions of the multivariate regression analyses are presented with the resulting discussion in this section.

Table 2 Result of Descriptive Analysis

Variable	Mean	Min.	Max.	SD	Skewness	Kurtosis
ICS _{it}	0.81	0.60	1.00	0.13	-0.95	2.14
REAM _{it}	16.43	-2.49	11507	435.23	26.38	696.99
PBR _{it}	58.26	0.01	715.25	100.8	2.10	7.50
ROE _{it}	0.11	-1.54	2.50	0.36	2.37	17.60
CFO _{it}	0.24	-0.35	1.95	0.43	2.07	6.15

Note: Definitions of these variables are indicated in Table 1. Variables were winsorized at 5% due to the presence of outliers.

The mean values of the dependent variable REAM_{it} turn out to be 16.43 and 435.23 of the Standard Deviation value. According to the decision criteria, table REAM_{it} was moderate level. As for ICS_{it}, it bears a mean of 0.81, ranging between 0.60 to 1.00.

Table 3 Result of Correlation Analysis

	REAM _{it}	ICS _{it}	PBR _{it}	ROE _{it}	CFO _{it}
REAM _{it}	1.000				
ICS _{it}	-0.060*	1.000			
PBR _{it}	0.051	0.058	1.000		
ROE _{it}	0.098*	0.056	0.103	1.000	
CFO _{it}	0.141*	0.131	0.226	0.142	1.000

Note: Dependent Variable is REAM_{it}. Definitions of these variables are indicated in Table 1. *p<0.10; **p<0.05; ***p<0.01

It indicates that there is -0.060 of correlation between ICS_{it} and REAM_{it} that means ICS_{it} has significant negative correlation on REAM_{it}. There is 0.098 of significant positive correlation between ROE_{it} and REAM_{it}. Furthermore, there is a significant positive (0.141) of correlation between CFO_{it} and REAM_{it}.

Table 4 Result of Regression Analysis

REAM	Coefficient	Standard Error	t-value	Significant
CONSTANT	177.199	99.582	1.780	0.075
ICS _{it}	-0.351	120.407	-2.010	0.044
PBR _{it}	-0.178	0.166	-1.070	0.284
ROE _{it}	93.578	45.671	2.050	0.040
CFO _{it}	148.514	38.923	3.820	0.000

Note: Dependent Variable is $REAM_{it}$. Definitions of these variables are indicated in Table 1.
* $p < 0.10$; ** $p < 0.05$; *** $p < 0.01$

This model reveals that the coefficient for all three variables, such as ICS_{it} , ROE_{it} , and ROE_{it} is significant at the 0.05 level, indicating that these variables have a significant impact on REM ($REAM_{it}$). Results shows that ICS_{it} has a significant ($P < 0.05$) negative impact ($\beta = -0.351$) on $REAM_{it}$. ROE_{it} has positive significant positive impact ($P > 0.05$) on $REAM_{it}$ ($\beta = 93.578$). This finding is consistent with Xu and Kim (2021) and Wali and Masmoudi (2020). Moreover, the R^2 value of the study was 0.1330. It has been interpreted that the independent variables have influenced about 13.33% of the dependent variable. The remaining 86.67% has been influenced by other factors not considered in this study. Accordingly, the research hypothesis formulated in the present study was supported.

CONCLUSION AND IMPLICATIONS

This study aimed to find out the impact of the quality of the internal control system on the REM of the selected 140 non-financial listed companies in the Colombo Stock Exchange from 2017 to 2021. Accordingly, the number of observations in this study was 700. To achieve the study's objectives, descriptive analysis, correlation analysis, and regression analysis were used as statistical tools. The researcher used the Roychowdhury model (2006) to measure the REM in this study. The study's independent variable is the quality of the internal control system, measured via the quality of internal control reporting (Chen, Li, & Wang, 2018). It was measured by calculating the opinion given by the independent auditor to the companies by referring to their financial statements. In the study, insights may provide investors, economic analysts, and regulators with early caution indicators of potential problems in a corporation regarding internal control failures and aid stakeholders in assessing the effectiveness and efficiency of the board and earnings management methods. Thus, REM was negatively impacted by the quality of the non-financial listed companies' internal control system. Moreover, it suggests that adequate internal control can prevent REM behavior.

This study has certain limitations, and the findings should be interpreted subject to these limitations. This study considered only the non-financial firms listed on the Colombo Stock Exchange. In addition, the researcher has only considered five years for this research. Further, this study used only the Roychowdhury Model (2006), though other alternative measures for estimating REM exist. Thus, the above factors should be taken into consideration by future researchers.

Keywords: Colombo Stock Exchange, quality of internal control system, real earnings management.

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Contemporary Studies in Management

BEHAVIORAL INTENTION OF USING MOBILE BANKING: A MODEL COMPARISON APPROACH

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INTRODUCTION

The evolution of technology has dramatically impacted human lives. As a result, the banking sector has experienced a growth in mobile banking, which has proven to be an integral part of customer access to banking services (Nawaz & Yamin, 2018). Mobile banking can be identified as a new method in this process. Mobile banking has become a popular method of banking among users worldwide within a short time of its launch, offering customers an easy and fast way to experience banking services from anywhere at any time (Ravichandran & Madana, 2016). The past few years have significantly seen some growth in mobile banking in Sri Lanka, as many commercial banks have facilitated their customers to conduct banking transactions through mobile banking applications (Central Bank of Sri Lanka, 2019).

Most studies on mobile banking adoption or behavioural intention (Aboelmaged & Gebba, 2013; Kumar et al., 2020) have been limited to examining models derived from theoretical and empirical models or testing existing theoretical models. Although the research takes place in the same context, the output may vary depending on the data set used. However, suppose different models can be compared with the same data set in the same context. In that case, it is helpful in decision-making, especially in cross-sectional quantitative studies of business and marketing. In the context of the behavioural intention of mobile banking by customers of Sri Lankan banks, only a few published works compare different conceptual models. Therefore, conducting a model comparison of behavioural intention to use mobile banking in the context of Sri Lankan bank customers is worthwhile to bridge the existing research gap. This study aimed to compare the Technology Acceptance Model (TAM), Theory of Planned Behavior (TPB), and the derived model with a combination of TAM and TPB in the context of behavioural intention to use mobile banking among bank customers in Sri Lanka.

METHODOLOGY

This study adopted a quantitative research design and used a standard structured questionnaire as the research instrument. Those were distributed via the internet for data collection purposes. The study population was Sri Lankans with an active bank account in any commercial bank using a smartphone or portable smart device.

Due to the non-availability of the sampling frame, the sample was selected using convenience sampling, a non-probability sampling technique. Based on the previous studies in a similar background, the statistical tool and estimation technique employed, as well as model complexity, targeted 500 responses and collected 579 accurate records within four weeks of questionnaire distribution. The conceptual model of the research is shown in Figure 1 and was developed with a combination of constructs derived from TAM and TPB.

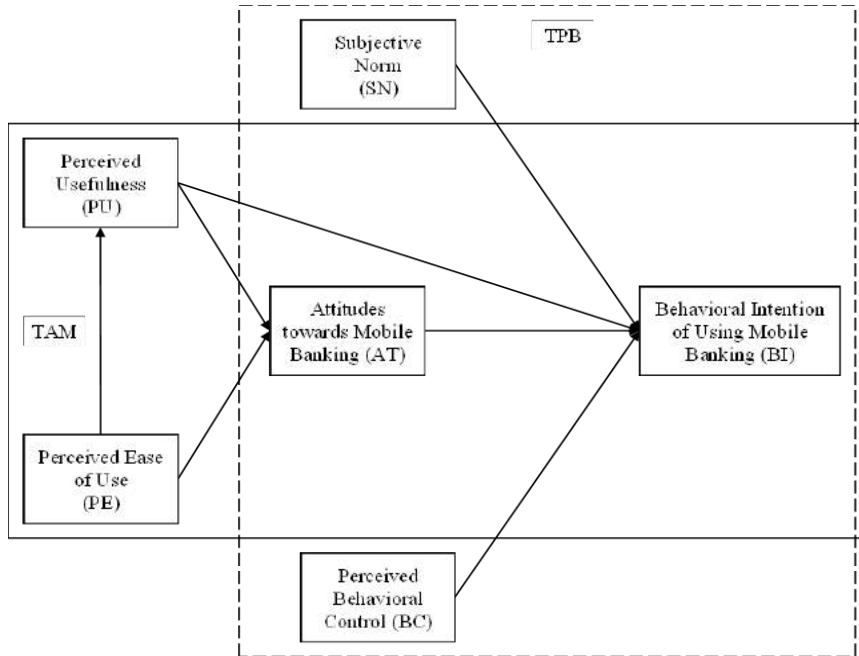


Figure 1 Conceptual Framework

Previous studies have shown that Covariance-Based Structural Equation Modeling (CB-SEM) is best suited to confirm key factors and compare theoretical or empirical models (Hair et al., 2019). Therefore, the CB-SEM approach was applied using IBM SPSS Amos 21.0 software package for data analysis and model evaluation. The data distribution has not achieved multivariate normality, although it satisfied conditions for univariate normality. Therefore, structural model analysis in the present study was conducted by adopting the bootstrapping technique. The validity of the measurement model was assessed by establishing acceptable goodness-of-fit levels and considering construct validity. It was observed that the measurement model fitted the data well while achieving convergent and discriminant validity. In comparing models, goodness-of-fit indices, the explanatory power of each model, as well as the significance and strengths of individual paths, were taken into account.

RESULTS AND DISCUSSION

The observed chi-square value for the derived model was 1446.669 with 447 degrees of freedom. Meanwhile, the chi-square values for TAM and TPB were 763.553 and 653.229, respectively, with corresponding degrees of freedom of 219 and 200. The probability levels for the chi-square were significant for all models, implying that the predictions do not closely match the actual data. Since significant probability values are generally accepted when the

number of observations is more significant than 250 (Hair et al., 2019), there was no need to worry about the above output and checked other goodness-of-fit indices.

Table 1 shows the values obtained for the goodness-of-fit indices for the models.

Goodness-of-Fit Index		Derived Model	TAM	TPB
Absolute fit indices	CMIN/DF	3.033	3.487	3.266
	AGFI	0.837	0.864	0.880
	SRMR	0.045	0.032	0.042
	RMSEA	0.059	0.066	0.063
Incremental fit indices	TLI	0.943	0.953	0.955
	CFI	0.948	0.959	0.961
	RFI	0.917	0.935	0.937
Parsimony fit indices	NFI	0.925	0.944	0.945
	PGFI	0.732	0.708	0.716
	PRATIO	0.903	0.866	0.866
	PNFI	0.836	0.817	0.818
	PCFI	0.857	0.830	0.832

Generally, the overall goodness-of-fit is said to be good when the CMIN/DF value is less than 5.000 (Hair et al., 2019). Among the models considered, the derived model reported the lowest CMIN/DF value, while TPB and TAM reported low values. The minimum acceptable value for AGFI is 0.800, and values close to 1.000 indicate a good fit. TPB reported the highest value for AGFI, followed by TAM and the derived model. The SRMR should be less than 0.080 (Hair et al., 2019) and all three models conformed to this criterion, while TAM recorded the lowest value. Values below 0.080 are generally acceptable for RMSEA and indicate a good fit when the observed value is small (Hair et al., 2019), so the derived model is superior in terms of RMSEA. Based on the observed values for the absolute fitness indices, it can be said that the three models are competitive in the overall goodness of fit.

Values above 0.900 are recommended for incremental fit indices (Meyers et al., 2016), and observed values for TLI, CFI, RFI, and NFI of all models considered in this study appeared to meet these criteria. When studying the observed values for the incremental fit indices, it was found that TPB is superior while TAM is better than the derived model. The recommended minimum value for the parsimony fit indices considered in this study is 0.500 (Meyers et al., 2016) and all observed values exceeded this limit. Based on the values obtained for the parsimony fit indices, the derived model is the best, followed by TPB and TAM, respectively. The squared multiple correlation coefficients of each model and internal endogenous constructs are depicted in Table 2.

Explanatory Power	Derived Model	TAM	TPB
R ² _{BI}	0.789	0.725	0.803
R ² _{AT}	0.849	0.849	-
R ² _{PU}	0.726	0.726	-

When considering the explanatory power of each model, it can be observed that TPB is superior in explaining the behavioural intention of using mobile banking. In contrast, the

derived model is better than TAM. However, all three models have shown a significant potential to explain the behavioural intention of using mobile banking in the context of Sri Lankan bank customers.

The observations for the path coefficients for each model and their significance are shown in Table 3.

Table 3 Comparison of Significance and Strengths of Individual Paths

Path	Derived Model		TAM		TPB	
	Coefficient	p-Value	Coefficient	p-Value	Coefficient	p-Value
BC → BI	0.367	0.001	-	-	0.365	0.001
SN → BI	0.090	0.003	-	-	0.089	0.001
PU → BI	0.152	0.011	0.204	0.003	-	-
AT → BI	0.416	0.008	0.667	0.002	0.561	0.001
PU → AT	0.405	0.001	0.410	0.001	-	-
PE → AT	0.552	0.001	0.547	0.001	-	-
PE → PU	0.852	0.001	0.852	0.001	-	-

Notes: The results reported in this table is based on bootstrapping method using 2000 subsamples.

The only path common to all models considered in the present study was the path from attitudes to behavioural intention, which was significant in all three models. However, the path coefficients of this path differed in the three models, and TAM reported the highest path coefficient, followed by TPB and the derived model. Furthermore, in all three models, attitudes were the primary factor influencing behavioural intention. This finding is consistent with the results of several recent studies (Aboelmaged & Gebba, 2013; Chaouali et al., 2017). The path from the subjective norm to behavioural intention was familiar to the derived model and the TPB and was significant in both models with nearly identical path coefficients. This finding matches the results of several previous studies (Puschel et al., 2010; Kumar et al., 2020) conducted in a similar background. Similarly, the path from perceived behavioural control to behavioural intention common in the derived model and the TPB was positive and significant, with almost identical and high coefficients. This finding is in harmony with the results of the studies by Chau and Hu (2001) and Puschel et al. (2010) but was not aligned with the findings of Aboelmaged and Gebba (2013). The path from perceived usefulness to behavioural intention was common to both TAM and the derived model and was positive and significant. However, this effect was slightly greater in TAM than in the derived model. This result is in harmony with the findings of Nawaz and Yamin (2018) and Kumar et al. (2020).

Meanwhile, the paths from perceived usefulness and perceived ease of use to attitudes common to the derived model and TAM reported nearly identical coefficients, consistent with Lule et al. (2012). Among the paths common to both the derived model and TAM, the highest path coefficient was reported for the path from perceived ease of use to perceived usefulness, which was similar in both models. This result is consistent with several studies (Aboelmaged & Gebba, 2013; Chang et al., 2017).

CONCLUSIONS AND IMPLICATIONS

The observed values for the goodness-of-fit indices of the three structural models indicated that all three models fit well with the data. In most cases, this is obvious when the measurement model has been shown to fit the data well. Although the three models have shown significant potential to explain the behavioural intention to use mobile banking, it can be observed that TPB is superior, and the derived model is slightly better than TAM. When considering the strength and significance of common paths in the three models, the results showed that all common paths in at least two of the compared models were positive and significant. Furthermore, almost all the significant paths exhibited relatively high levels of statistical significance. The comparison concludes that all three models can be recommended for examining the behavioural intention to use mobile banking in the context of Sri Lankan bank customers. Convenience sampling was used to select the sample; therefore, the study's results should be interpreted cautiously when drawing generalizations. Moreover, the questionnaire was distributed using online methods only, and if there is any possibility of collecting data using online and offline methods, it is worth it. To the best of our knowledge, this study is the first attempt to compare models in the context of behavioral intention to use mobile banking by bank customers in Sri Lanka. These findings provide new perspectives for the research community in planning their future studies.

Keywords: Behavioral intention, mobile banking, model comparison

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**DETERMINANTS OF STUDENTS' ATTITUDE TOWARDS LMS BASED ON THE
EXTENDED TECHNOLOGY ACCEPTANCE MODEL: WITH SPECIAL
REFERENCE TO THE FACULTY OF MANAGEMENT STUDIES, RAJARATA
UNIVERSITY OF SRI LANKA**

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INTRODUCTION

The development of technology is accelerating fast today. Technology contributes to the learning process, especially in times of crisis, such as the COVID-19 pandemic. This pandemic is fatal because it is easy to spread. The learning modes can be beneficial and enhance existing learning outcomes (Astuti & Indriani, 2020). The study by Samsudeen and Mohamed (2019) revealed that the e-learning platform was also scalable and capable of connecting to other multi-platforms. Aside from realising the massive benefits of E-learning, developed countries are successfully implementing it (Salloum & Shaalan, 2019).

Developing countries are more hesitant to adopt new technological ventures than developed countries. However, Sri Lankan and Indonesian studies explained that online learning is the most effective in this context (Zuhairi et al., 2019). Although such systems have grown significantly in recent years, institutions still face several challenges regarding e-learning. It is timely and essential to understand how changes in the learning environment (as a result of the COVID-19 outbreak) have affected student learning behaviour, especially their e-learning behaviour (Weerathunga et al., 2021).

Rajarata University is a rural university in Sri Lanka. Moreover, it became a first-time experience for them in this e-learning process. This study will test the students' Attitudes toward using LMS for learning using the extended Technology Acceptance Model (TAM). Only the students' Attitudes toward LMS were examined in this study. As a limitation, the study relied on self-reported data to determine the actual use of LMS.

LMS is frequently chastised for its ineffective use. It is not that LMS are unsuccessful. Most of the time, it is not due to poor design but the instructor's lack of pedagogical skills. However, the question remains unanswered regarding the Attitudes toward online learning platforms like LMS among university students in Sri Lanka. However, the empirical study by Weerathunga et al. (2021) related to this context has used TAM, but the variables differ from the proposed framework. Researchers haven't found any related study from this context that examined attitudes towards the LMS. Also, it would be useful for other universities and decision-makers.

So finally, the problem statement can be the emphasis as, to investigate the impact of Perceived Usefulness, Perceived Ease of Use, and Perceived Convenience on the Attitude

toward LMS of undergraduates in the Faculty of Management Studies, Rajarata University of Sri Lanka.

METHODOLOGY

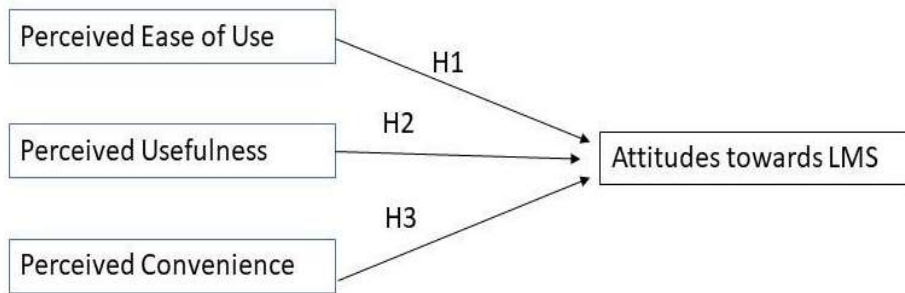


Figure 1 Conceptual Framework

The study is a positivistic and descriptive study that follows a deductive approach. Independent variables of this study were Perceived Ease of Use, Perceived Usefulness, and Perceived Convenience. The dependent variable of this study was Attitudes. Considering the relationship between research variables, the following theoretical framework was proposed for this study.

Furthermore, the researcher examined the impact of Perceived Ease of Use, Perceived Usefulness, and Perceived Convenience on Attitude. Through a multiple regression, the most impacted TAM variable towards Attitudes to use LMS of the undergraduates of the Faculty of Management Studies, Rajarata University of Sri Lanka, was examined.

H₁: Perceived Ease of Use has a direct and significant impact on students' Attitudes toward LMS in the Faculty of Management Studies, Rajarata University of Sri Lanka.

H₂: Perceived Usefulness has a direct and significant impact on students' Attitudes toward LMS in the Faculty of Management Studies, Rajarata University of Sri Lanka.

H₃: Perceived Convenience has a direct and significant impact on students' Attitudes toward LMS in the Faculty of Management Studies, Rajarata University of Sri Lanka.

The population of the study was all undergraduates who are currently learning inside the Faculty of Management Studies, Rajarata University of Sri Lanka.

A stratified sampling with simple random selection was used as the sampling method. Here, the sample size is calculated as follows,

Table 1 Study Sample

Academic Year	Population	Sample Size Calculation	Sample Size
2015/2016 Batch	375	$(375 / 1728) * 320$	70
2016/2017 Batch	417	$(417/1728) * 320$	77
2018 Batch	464	$(464 / 1728) * 320$	85
2019 Batch	472	$(477 / 1728) * 320$	88
Total Population and Sample	1728		320

The sample size is considered 320, considering Morgan's chart, because the population is more than 1700.

A structured questionnaire was distributed to the sample respondents in a google form. All analyses were carried out with the assistance of SPSS. Demographic data were analysed through descriptive statistics, and regression analysis was used to test the hypotheses of the study.

RESULTS AND DISCUSSION

The validity and reliability of the data were assured and the results are as follows

Table 2 Reliability and Validity Analysis

Variable	No of Items	Cronbach's Alpha	KMO	Bartlett's test of Sphericity		
				Approx. Square	Chi- Df.	Sig.
Perceived Ease of Use	4	.807	.796	409.888	6	.000
Perceived Usefulness	3	.837	.712	391.831	3	.000
Perceived Convenience	4	.801	.778	421.043	6	.000
Attitudes	3	.778	.672	281.334	3	.000
Behavioral Intention	4	.872	.803	654.015	6	.000

Findings revealed that all the hypotheses were supported. Furthermore, Perceived Ease of Use, Perceived Usefulness, and Perceived Convenience significantly impact attitudes toward LMS usage.

To identify the most impacted variable, the attitudes, the researchers have run a multiple regression, and the results are obtained in table 03.

Table 3 Multiple Regression Analysis - Model Summary

Summary:		
R	R ²	Adjusted R ²
0.754	0.568	0.564

The R-value shows a simple correlation of 0.75. The adjusted R² value indicates how much of the total variation in the dependent variable can be Explained by the independent variables.

The Adjusted R² value is 0.56, which means 56% of the factors affecting attitudes can be explained. There was 44% will describe the other factors.

Table 4 Multiple Regression Analysis - ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	61.977	3	20.659	141.224	.000
Residual	47.104	322	.146		
Total	109.081	325			

According to Table 4, the F value is 141.22, indicating that the overall regression model of the research is appropriate for the data. Because F is greater than one. Furthermore, the significant value is 0.000, indicating a stronger relationship between the independent and dependent variables. The F (141.22) value indicates that the p-value (0.000a) is statistically significant, and thus the equation is interpretable. Because the Significant value is less than 0.05, this is reasonable

Table 5 Multiple Regression Analysis – Coefficients Summary

Coefficients Summary					
Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
Constant	.669	.162		4.138	.000
PEOU	.419	.056	.395	7.516	.000
PU	.201	.052	.228	3.880	.000
PC	.219	.054	.224	4.099	.000

According to Table 3, the p-values for Perceived Ease of Use, Perceived Usefulness, and Perceived Convenience are 0.000 because all p-values are less than 0.05. Hence, these factors are impacted by Attitudes.

Furthermore, a study identified that Perceived Ease of Use has high significant impact than Perceived Usefulness and Perceived Convenience through multiple regression. The 0.395 Beta value proves it from the coefficient summary.

CONCLUSIONS AND IMPLEMENTATIONS

The study shows that all three variables of Perceived Usefulness, Perceived Ease of Use, and Perceived Convenience significantly impacted attitudes toward LMS usage. Moreover, Perceived Ease of Use was the most impacting variable towards Attitudes. This finding is supported by Hsu and Chang (2013) and is unsupported by the statement Rabaa (2016) mentioned in the literature. The findings of this study fulfilled the knowledge gap that influences the impact of these factors and Attitudes on the management student's intention, specifically on LMS platforms in the Faculty of Management Studies, Rajarata University of Sri Lanka. Furthermore, it addresses the empirical gap in the literature about an LMS platform of a government university like the Rajarata University of Sri Lanka. The outcomes of this study can aid educators and students in anticipating the pandemic's probable impact and realigning educational and evaluation techniques. The study also benefits educational policymakers because it addressed crucial issues influencing the usage of LMS.

Commonly most State and private universities followed these LMS platforms. So, they also benefit from the study, which may have a similar context. The findings of this study contribute significantly to the literature on LMS in underdeveloped nations. The study also benefits educational policymakers because it addressed crucial issues influencing the usage of LMS. As a result, educators and governments may encourage online learning by focusing on these essential characteristics.

Keywords: Attitudes, perceived convenience, perceived ease of use, perceived usefulness

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FACTORS INFLUENCING THE EFFECTIVE IMPLEMENTATION OF REMOTE WORKING TEAM: EVIDENCE FROM INSURANCE COMPANIES IN KALUTARA DISTRICT

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INTRODUCTION

Global concern about remote working has increased gradually than previously due to the spread of the COVID-19 pandemic all over the world. Remote working means an employee is working from their home, apartment, or other places of residence rather than from the office and is not required to report to the office on time (Yvas & Butakhieo, 2020). It is not a new concept. According to a recent study, remote working improves job performance, reduces work-family conflict, reduces stress, and reduces turnover intentions (Irawanto et al., 2021).

Although research has given attention to remote working and framework conditions for effective implementation, our understanding of determinants of effective implementation of remote working teams, especially in developing country contexts, is limited. Moreover, the findings of the previous research on this focus are inconclusive (Yvas & Butakhieo, 2020). Therefore, this study attempts to study the factors influencing the effective implementation of remote working teams in insurance companies in Kalutara District in Sri Lanka. The insurance sector in Sri Lanka plays a critical role in the country's financial sector, contributing significantly to the country's development and the secured human life from uncertain circumstances by accepting the risk (KPMG Sri Lanka, 2021). In reality, the insurance industry is behind other industries, such as banking, in adopting digital and more flexible working practices. They are forced to accelerate and step up due to the situation (KPMG Sri Lanka, 2021). Therefore, this study is appealing and timely important. The findings of this study add new insights to the literature on remote working teams and enhance our understanding of the determinants of effective implementation of remote working teams, especially in the service industry. Moreover, the study findings would have significant implications for policymakers and practitioners in the industry.

METHODOLOGY

The study developed the following conceptual framework (Figure 1) after reviewing the extant literature, followed the deductive research principles, and adopted a quantitative research method. The study population was all the underwrite officers of insurance companies in the Kalutara district. The sample was selected using the purposive sampling method, consisting of 136 officers. A structured questionnaire was used to collect the data and was pre-tested to ensure validity and reliability. Correlation analysis and multiple regression analysis were employed in the data analysis.

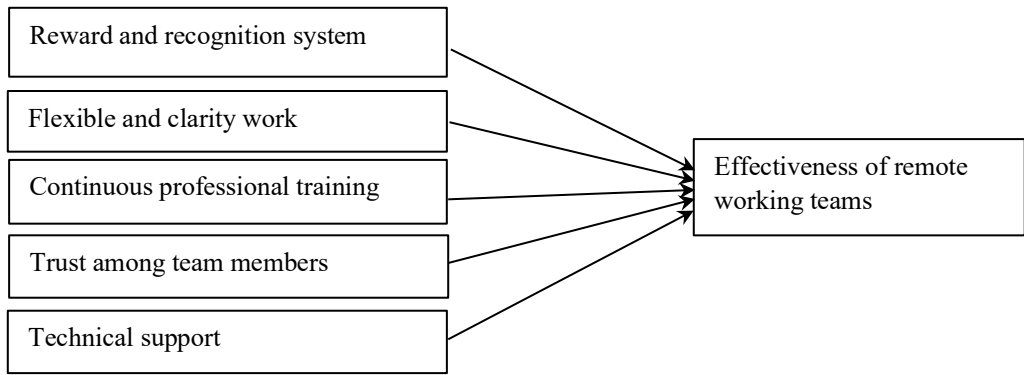


Figure 1 Conceptual Framework

RESULTS AND DISCUSSION

The primary purpose of the current study was to identify the effective implementation of the remote working team with the particular reference insurance industry in the Kalutara district. The sample consists of 53.7% male and 46.3% female officers. Table 1 shows the result of the correlation analysis.

Table 1 Results of the correlation analysis

Variable	RW	FCW	CPT	TRT	TS
RW	-				
FCW	.598**	-			
CPT	.645**	.729**	-		
TRT	.552**	.646**	.622**	-	
TS	.623**	.671**	.669**	.572**	-
ERW	.645**	.687**	.664**	.604**	.685**

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

RW = Reward and recognition system, FCW = Flexible & clarity work, CPT = Continuous professional training, TRT = Trust among team members, TS = Technical support, ERW = Effectiveness of remote working team.

According to the correlation result, there is a positive relationship between the reward and recognition system and the effective implementation of the remote working team ($r=0.645$, $p<0.05$). The correlation result also indicates a positive relationship between flexible and clarity work and effective implementation of remote working teams ($r=0.687$, $p<0.05$). The relationship between continual professional training processes and the remote working team's effective implementation is positive ($r= 0.664$, $p<0.05$). According to the result, trust among the team members is also positively corrected with the effective implementation of remote working teams ($r=0.604$, $p<0.05$). The result also confirms the positive relationship between technical support and effective implementation of remote working teams ($r=0.685$, $p<0.05$).

Table 2 reproduces the result of the regression analysis.

Table 2 Result of Regression Analysis

Model	Unstandardized Coefficients		t	Sig.
	B	Std. Error		
Constant	0.246	0.267	0.923	0.358
Reward and recognition system	0.203	0.073	2.779	0.006
Flexible and clarity work	0.217	0.089	2.426	0.017
Continual training processes	0.135	0.088	1.527	0.129
Trust among the team	0.116	0.073	1.594	0.113
Technical support	0.274	0.091	3.031	0.003
Adj. R ² =0.603	F-Stat. = 42.084.		Sig. F<0.01	

The Adjusted R² value (0.603) indicates that the predictor variable can explain 60.3 percent of the variation in the effective implementation of remote working teams. Although all the regression coefficients of the predictor are with a positive sign, the coefficients of reward and recognition system, flexible and clarity work, and technical support are significant at the 0.05 significance level. Therefore, these variables only positively affect effective remote working teams.

There is a common perception that reward and recognition system and virtual team effectiveness is positively related (Tung, 2018). This study also supports the previous research findings showing a similar result in the insurance industry in Sri Lanka. As per the previous researchers, flexibility and clarity of job criteria are positively associated with employees' adjustment to remote work (van Zoonen et al., 2021). Studies also found effective use of training to promote successful virtual team performance (Rosen et al., 2006). Remote working allows employees to perform their tasks at a distance in a better way, as long as their tasks are measured by objectives (Garro-Abarca et al., 2021). Past studies state that communication, coordination, and knowledge sharing are essential elements of action processes to predict the efficiency and effectiveness of the team (Garro-Abarca et al., 2021).

CONCLUSIONS AND IMPLICATIONS

This study found reward and recognition systems as essential factors in effectively implementing remote working teams in the insurance industry. Moreover, the result indicates that flexibility and clarity of work schedules and technical support as essential factors in promoting the effectiveness of remote working teams. Therefore, top management should consider these factors to make favourable environments for better outcomes for the remote working teams. The present study suggests several potential paths for future research. Since there are very few studies done in the Sri Lankan context, it is suggested to conduct similar studies focusing on the other industries to validate the findings of the present study. Moreover, future studies could be carried out in the same industry employing qualitative and mixed methods to uncover the other essential factors promoting the effectiveness of remote working teams.

Keywords: Remote working teams, rewards and recognition, technical support

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INTERCULTURAL COMMUNICATIVE COMPETENCE (ICC) IN BUSINESS ENGLISH TEACHING (BET)

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INTRODUCTION

Experience of cultural diversity is not a new phenomenon in today's global marketplace and most Higher Education Institutes (HEIs). Parallel to that, Sri Lanka is becoming more multicultural than it used to be. This review aims to promote intellectual communication competence (ICC) in Business English teaching (BET). Conceptual review papers can theoretically enrich the field by reviewing actual knowledge and inconsistencies, identifying critical gaps and key insights, and proposing agendas for future research. Even though factors influence integrating ICC in BET in HEIs other than Sri Lanka, there is no research yet in Sri Lanka on ICC in BET. There are adequate empirical research and conceptual studies based on the country's social, political, economic, and educational requirements, which results in identical BET practices fitting into the particular country. However, the contemporary literature lacks specific research on ICC in BET in Sri Lanka. Thus, this review entails the gap in the literature by attempting to remind teacher educators, policymakers, material developers, and curriculum developers to revisit the existing local and international communication requirements in HEIs for further reformations and to make the undergraduates and postgraduate students aware of the local and international requirements. This interdisciplinary literature review aims to conceptually enrich the field of ICC in BET in Sri Lanka by promoting researchers in BET. Since a preliminary review is needed where there is a dearth of literature in ICC in BET, it is a prerequisite for a researcher to review contemporary literature. Thus, the literature review is considered best for a reason. This review is conducted to identify the local and global concerns in embedding an intercultural perspective in BET, where English is taught to speakers of other languages. Hence, although local and foreign literature (empirical and concept papers) is analysed, Asian-based research is prioritized.

Firstly, findings reveal a paradigmatic development of International Business (IB), ICC, and ELT that has created much room for significant scholarly research. Secondly, literature on International Business (IB) appears to lack conceptualization and consistency in definitions (Bhatia & Bremner, 2012). Thirdly, the review reveals that Chinese researchers have started an empirical and philosophical dialogue by researching different aspects of ICC in BET- which sets a forerunner to Sri Lanka. Finally, the review connotes that ICC in BET is an indispensable timely concern, so learning/teaching and getting updated with relevant teaching pedagogy for BET is obligatory if ICC needs to be inculcated through BET. There are critiques on the absence of capable theory and methodological issues about ICC and ELT (Pudelko et al., 2015), which this review excludes as limitations. This review provides a critique to promote research on ICC in BET in local and international contexts.

METHODOLOGY

The conceptual review focuses on synthesizing existing knowledge by applying inductive reasoning from organized individual reasoning. Accordingly, the scope of the review was narrowed to BET in TESOL contexts to identify similarities that teachers of BET could consider in Sri Lankan HEIs. Thus, this research adheres to a qualitative data analysis method in which the Systematic Review method is followed to select related, most important, updated research findings in merged fields of ICC, English Language Teaching (ELT) in HEIs and IB. Most related data was explored by Text Mining. The search was completed using electronic using Academic Search Premier, Google scholar, JSTOR, Scopus, Sage Publication, Science Direct and ERIC, English language teaching in universities/HEIs, ICC in BET, and Cross-Cultural Communication in Business English search terms were used. Since ICC is a new concept to Sri Lanka, search terms were specified. The literature published within the last ten years was included in the review. With the assistance of ATLAS.ti version 9 was taken for the analysis to identify unified observations in ICC, ELT, and IB disciplines. Data was gathered, performed on-screen text coding (inductive and deductive), annotated text segments, and mapped with the research objectives for content analysis. Zotero was used for reference management.

RESULTS AND DISCUSSION

In the wake of World War II, the new demands of ELT highlighted that language teaching/learning alone was insufficient (Jingzi et al., 2016). Likewise, BET is also unique in its ways and has grown with its demands as a result of globalized International Business Communication (IBC) (Gajšt, 2014). IBC is a study that aims to improve communication, management, and interaction of people from different cultures (Pikhart, 2014). Similarly, it involves the cultural orientation of individual managers and organization members. It is a broadly recognized fact that cultural awareness shapes the behaviour of business firms in cross-culturally reflected international markets with globalisation and advancements in science and technology. However, it is essential to mention two schools of argument about "culture as a source of competitive advantage and its opposite" (Søderberg & Holden, 2002, p. 105). We observe that intercultural awareness commonly influences local and international business affairs, but few empirical studies have been conducted. Sri Lanka, a multicultural country with four main different ethnic groups, has more to research in the aspect of ICC.

Sri Lanka needs reformation, advancements, and adequate updates without further ado. Scholars with similar multicultural contexts suggest that understanding cultural diversity and eliminating cultural barriers are essential skills for business firms to develop a competitive advantage in IB (Jenifer, 2015). Literature provides evidence that business firms that could not overcome cross-cultural barriers have encountered adverse effects in IB (Zhang, 2020). Given the importance of finding more about the future direction of ICC, the first Anthology of ICC presents the non-European approach to studying culture and communication. Asante et al. (2013) show four future directions for IC research. The 3rd examines power and privilege and their impact on communication equality and mutuality in intercultural contexts. They emphasize that it is necessary to seek to know the way individuals think and the nature of communities' philosophies of life. Hence, Sri Lankan HEIs cannot overlook its updates and further improvements in ICC in BET.

Prescriptively, Gajšt (2014) presents the standards and levels suitable for BET by examining the Common European Framework of Reference for Languages (CEFR) scale descriptors. According to the definition of Beamer (1992), a learner of ICC inevitably must inherit a willingness to acknowledge the frequently unexpected, stereotypical characteristics or differences in a new culture. At the same time, the concept of Cultural Intelligence (CI) includes behavioural and motivational facets and a metacognitive aspect. CI is mainly related to the learning aspect than the pragmatic aspect. Therefore, the role of a teacher of BET needs to be more noticeable and functional according to the updated local and global requirements.

CONCLUSIONS AND IMPLICATIONS

Undoubtedly, under economic globalisation, ICC in BET needs to be updated in HEIs. Although business communicators floundered without a reasonable basis for a pedagogical posture, recent literature shows that several teaching methods are practical in BET. Experimental, student-centered, integrated teaching methods and TBL activities are also successful in business communication classes (Hsu, 2016). Besides Zhang and Liu (2013) argue the effectiveness of extracurricular English activities through teaching business skills practices. One of the two pieces of research found in Sri Lanka on ICC in BET is seeing the effectiveness of BET in blended mode, Dharmawardene and Wijewardene (2021), which emphasizes the content of business communication includes intercultural communication as one of the components of the list. The other is an empirical study based on cross-cultural dimensions of Business Communication in Sri Lanka, which reveals how workplace collectivism has a substantial and significant effect on business activities and participation than other underlined variables (Rathnayaka, 2014). This proves the dearth of ICC in BET related-literature based in Sri Lanka.

On the contrary, several aspects of ICC in BET are researched in ICC in BET in China. According to research experience based on BET in China, teaching activities, teaching methodology, teachers need constant improvements and updates related to cultural apprehension, teacher's consciousness towards students' emotional needs, enriching teaching methods, curriculum, and the contents should be reconstructed, classroom discourse and BET materials should reflect the intercultural elements to provide ICC in IB.

In addition, Fu (2008) presents the intercultural issues in current BET in China. Besides, Li and Dong (2021) suggest that a multitude of versatile talents are in urgent need in order to have a "good grasp of linguistic and business knowledge but also competent in ICC" (p. 752). The multiple constraints that affect the teachers' to integrate ICC into BET in China are; inadequate time allocation, absence of ICC objectives in the BET syllabi and assessments, lack of facilities, students' low English language proficiency, lack of suitable activities in teaching materials, foreignness in the studying environment, teachers' inadequate cultural knowledge and ICC teaching pedagogy (Li & Dong, 2021). Jingzi et al. (2016) insist on the active role of BET and prove it by contributing to the discipline.

As the literature suggests, research inquiry fosters coherent and systematic culture infiltration that initiates reaching the expectations of the IB. We believe this research inquiry can lead to new ELT, ICC, and IB research. Since there is a dearth of literature based on Sri Lankan experience of BET on pedagogy (methods and practice of teaching) related to ICC in BET, specific teaching materials and experience of teacher training in BET are identified as areas

to be investigated. Accordingly, the review concludes by mentioning how more research innovations on ICC in BET can be produced and lead to further knowledge and skill development based on TESOL contexts.

Keywords: Business English teaching, higher education institutes, international business, international business communication, intercultural communicative competence

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POSITIVE PSYCHOLOGICAL FACTORS TOWARD THE ACADEMIC PERFORMANCE OF MANAGEMENT UNDERGRADUATES AT STATE UNIVERSITIES IN SRI LANKA

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INTRODUCTION

Undergraduates at the university level attempt to attain their objectives despite several obstacles. Undergraduates may confront various obstacles as they begin their academic careers as undergraduates. As a result, individuals must strike a balance between positive psychological capacity and academic performance to be successful graduates. Hence, undergraduates must assess their ability to meet future goals. To meet these challenges, it is essential to motivate university students to strive for excellence in academic performance through positive psychological capacities to seek a competitive advantage. Psychological capital is a bundle of positive psychological resources that includes self-efficacy, optimism, hope, resilience, and lower-order variables (Luthans et al., 2007). Psychological capital is a positive psychological concept that plays a vital role in task performance and goal achievement. Undergraduate students draw on their psychological capital resources when completing a task or achieving an academic program goal (Datu & Valdez, 2015). Students may require a high level of self-efficacy in various complex academic scenarios to make the obligatory effort to fulfill the required tasks. Optimism also aids students in making positive assessments of their chances of success. Moreover, when obstacles and adversity arise, hope and resilience generate valuable psychological resources for pursuing academic goals (Siu et al., 2014). As a result, it is critical to see if psychological capital can improve academic performance.

Most of the entrants to university have a higher probability of dropping out in the final year, without achieving their level of achievement (Amarathunga et al., 2022). When university enrollment vs. graduate output is considered, it focuses on the problem gap, which is 'why management undergraduates drop their academic achievement at the end of their university life?'. Although lecturing patterns, university facilities, and the opportunities to learn something new become similar to every management undergraduate of all government universities in Sri Lanka, the university system has a low graduate output than the university enrollment count each year. Accordingly, this problem gap has been affecting the undergraduates' academic performances where the reasons for this dropout can be less capable psychological factors such as attitudes of undergraduates, academic self-efficacy, student interaction, hope and motivation (Martínez et al., 2019; Carmona-Halty et al., 2021; Malak et al., 2022). However, little research has been undertaken in the Sri Lankan context to examine the relationship between positive psychological capital and undergraduate students' academic performance. Hence, at present, the researcher aims to bridge this contextual research gap in the existing knowledge pool by focusing on the impact of the positive psychological capacity

of management undergraduates in Sri Lankan government universities on their academic performance. Thus, the study is based on the objective; of investigating the impact of positive psychological factors on the performance of management undergraduates in Sri Lankan government universities. The study is significant for all undergraduates who could replicate the study to find out the extent of academic performance and its perceived causes and therefore will be able to find out positive psychological factors that have an impact on academic performance, which is to come up as good practices and strategies for dealing with the undergraduate's performances.

METHODOLOGY

The current study used an explanatory research design with a significant focus on testing hypotheses based on empirical research findings. The current study is cross-sectional and quantitative because the data is gathered only once and is measured and analyzed quantitatively. The researcher developed a model to conceptualize the theoretical framework of the study. The model indicates the positive psychological factors that impact the academic performance of management undergraduates.

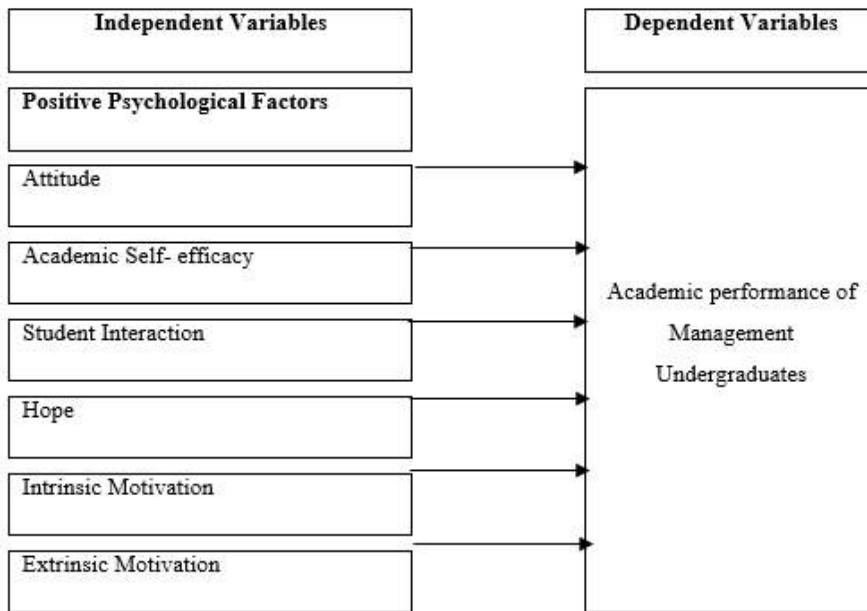


Figure 1 Research Framework

The study population comprised 5285 management undergraduates in Government universities in Sri Lanka. The sample size of 357 is given by Morgan's table (Krejcie & Morgan, 1970) under a 95% confidence level as the appropriate sample size for the population of 5285. The researcher used the stratified random sampling method for selecting the sample.

Data collection has been done through primary sources and secondary sources for this study. Primary data is collected through a standard questionnaire administered to the respondents. Standardized questions were included in the questionnaire. There were two sections in the questionnaire consisting of Section A: Demographic factors and Section B: measurement of positive psychological factors and academic performance of undergraduates. The variables of Academic performance, attitudes, self-efficacy, and student interaction, and hope, intrinsic

and extrinsic motivation were covered by part B of the questionnaire. The academic performance of the undergraduates was measured through the value of Grade Point Average (GPA), participation in extracurricular activities, and achieving awards at university colors awarding ceremonies. The constructs' validity and the scales' reliability and regression and correlation analysis were tested through Statistical Package for the Social Science (SPSS).

RESULTS AND DISCUSSION

This research study focuses on Management undergraduates in state universities. Even though the estimated sample was 357, only 352 responses were able to collect. Accordingly, the actual sample size, the total number of respondents, was 352. Considering the demographic profile of the respondents, the majority were female, with a count of 178, which was 50.6% of total respondents, and 174 were male. Further, the 352 respondents have four different GPA ranges for their degree programs. They are first-class degree, second upper degree, second lower degree & General degree. Out of 352 respondents, 33.2% had general degree GPA values. Also, 27.6% had a Second lower GPA and first-class and second upper GPA holders were about 19.6%. The impact of positive psychological factors on the academic performance of the undergraduates was measured using regression analysis. The findings of the regression analysis of the study are summarized in Table 1.

Table 1 Summary of Regression analysis

Variables	R - squared	P value
Attitude	0.747	0.000
Self-efficacy	0.833	0.000
Student's interaction	0.777	0.000
Hope	0.761	0.000
Intrinsic motivation	0.818	0.000
Extrinsic motivation	0.682	0.000

Results of Alternative Hypothesis 1: Attitude impacts management undergraduate academic performance in Sri Lankan state universities: According to the results of the regression analysis presented in Table 1, the test is significant ($R^2 = 0.747$, $p < 0.05$). Accordingly, hypothesis 1 is accepted, revealing that attitude impacts management undergraduates' academic performance in Sri Lankan state universities.

Results of Alternative Hypothesis 2: Academic self-efficacy impacts on management undergraduate's academic performance in Sri Lankan state universities: Based on the results of the regression analysis presented in Table 1, the test is significant ($R^2 = 0.833$, $p < 0.05$). As a result, hypothesis 2 is accepted, proving that self-efficacy impacts management undergraduate academic performance in Sri Lankan state universities.

Results of Alternative Hypothesis 3: Student interaction impacts management undergraduate academic performance in Sri Lankan state universities: As per the results of the regression analysis presented in Table 1, the test is significant ($R^2 = 0.777$, $p < 0.05$). Therefore, hypothesis 3 is accepted, proving that student intersection impacts management undergraduate academic performance in Sri Lankan state universities.

Results of Alternative Hypothesis 4: Hope impacts on management undergraduate's academic performance in Sri Lankan state universities: According to the results of the regression analysis presented in Table 1, the test is significant ($R^2 = 0.761$, $p < 0.05$). Hence, hypothesis 4 is accepted, and it was found that hope impacts management undergraduate academic performance in Sri Lankan state universities.

Results of Alternative Hypothesis 5: Intrinsic Motivation on management undergraduate's academic performance in Sri Lankan state universities: Based on the results of the regression analysis presented in Table 1, the test is significant ($R^2 = 0.818$, $p < 0.05$). Therefore, hypothesis 5 is accepted, revealing that intrinsic motivation impacts management undergraduate academic performance in Sri Lankan state universities.

Results of Alternative Hypothesis 6: Extrinsic Motivation on management undergraduate's academic performance in Sri Lankan state universities: According to the results of the regression analysis presented in Table 1, the test is significant ($R^2 = 0.682$, $p < 0.05$). Accordingly, hypothesis 6 is accepted, and it was found that extrinsic motivation impacts management undergraduate academic performance in Sri Lankan state universities.

CONCLUSIONS AND IMPLICATIONS

This paper aimed to examine the influence of positive psychological factors on undergraduate academic performance of management undergraduates at state universities in Sri Lanka. The study found that all prediction factors have a significant favorable influence on students' academic performance. In this respect, it can be deduced that demonstrating positive psychological factors can effectively enhance better academic performance in learning institutions. The results of the present study revealed that self-efficacy has the highest impact on the academic performance of management undergraduates, and intrinsic motivation has the second-highest impact on academic performance. Accordingly, the findings revealed that management undergraduates' self-efficacy and intrinsic motivation strongly predict academic performance. Baltimore-Aufflick et al. (2016) found a strong link between self-efficacy and students' academic outcomes.

Further, self-efficacy is linked to self-regulation, metacognition, intrinsic motivation, values, locus of control, and strategy learning. Self-efficacy among undergraduates can be uplifted using collaborative teaching and strategies emphasizing student-centered learning (Schütze et al., 2021). Therefore, improving undergraduates' positive psychological capital is essential for improving academic achievement and making them more employable (Amarathunga & Wijethunga, 2021).

The study's results may have repercussions for undergraduate management, academic staff, and relevant authorities on the significance of enhancing positive psychological aspects in raising undergraduates' academic performance. Future researchers suggest that the study's scope can be further expanded to measure similar relationships related to undergraduates in other subject disciplines, and comparisons can be made among the different subject disciplines. Moreover, present research found that the level of positive psychological factors differed based on gender, residential area, type of university, and the class obtained by the undergraduates. Future research can be conducted to test the impact of these factors to demonstrate deviations, if any. Furthermore, demographic characteristics such as gender,

degree class, ethnicity, undergraduates' residence location, university ranking, and reputation may mediate or moderate the association between positive psychological factors and academic performance. Moreover, in light of the current COVID- 19 issue, it is vital to examine efficient approaches for boosting positive psychological factors of undergraduates through virtual teaching and learning modes.

Keywords: Academic performances, attitudes, motivation, positive psychological factors, self-efficacy

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THE EFFECT OF CELEBRITY ENDORSEMENT ON BUYING BEHAVIOUR OF Z-GENERATION: SPECIAL REFERENCE TO MOBILE PHONE USERS IN KURUNEGALA DISTRICT

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INTRODUCTION

Consumers are now exposed to thousands of products and services as the world has become increasingly competitive. Advertisers seek to catch a little piece of an individual's time to inform them of the significant and distinctive aspects of the product or brand they give to the market in this manner (Gayathri & Anwar, 2019). Celebrity endorsement is a publication tool in which well-known people attach their public image with brands to assist in creating or developing the brand's image. It has evolved into a successful instrument for businesses that generates a strong brand image in the minds of consumers over competing brands on the market.

However, according to Weerasiri and Wanninayake (2006), every influencer advertising campaign does not equally work. Some of them are very effective, and some are not at all. Moreover, Weerasiri and Wanninayake (2006) explained that advertisers agree that influencer endorsement does not guarantee sales. Although influencer endorsement globally resulted in a positive impact on buyer behavior, the two studies conducted by Kahawandala et al. (2020) and Weerasiri and Wanninayake (2006) in Sri Lanka indicate negative and neutral results. There is a significant knowledge gap in Sri Lanka regarding how the Z generation responds to influencer endorsement though marketers heavily use influencer endorsement. Through a comprehensive study, there must be a need to investigate further what factors of influencer endorsement would affect the Z generation buyer behavior in the Mobile phone industry.

Due to the competitive environment in which companies work, effective communication is undoubtedly one of the critical issues to grab the eye of consumers. There are a variety of communication strategies that enable advertisers to arrive at their objectives. According to Kahawandala et al. (2020), "Generation Z has emerged as one of the most mystifying consumers as they are tech-savvy, digitally connected, and educated users of technologies in the marketplace". Further, a recent study by Anish and Sengottuvelu (2020) found that Generation Z smartphones are the most used device, and they use these devices for varying purposes. Even though many countries have conducted studies in this field and used the results in their marketing and advertising strategies, as mentioned above, there are few realities or discoveries in the Sri Lankan context regarding the effect of influencer endorsement on consumer behavior. As a result, influencer endorsement in advertising is a common strategy of mobile phone marketers in Sri Lanka to entice customers to make a purchase. Therefore, the study's main objective is to identify the effects of social media influencers' celebrity

endorsement on the purchase decision of mobile phone Z-generation users in the Sri Lankan telecommunication sector with particular reference to Kurunegala District.

METHODOLOGY

The following conceptual framework and hypotheses were developed for the study based on a comprehensive literature review in the given context.

Independent Variables

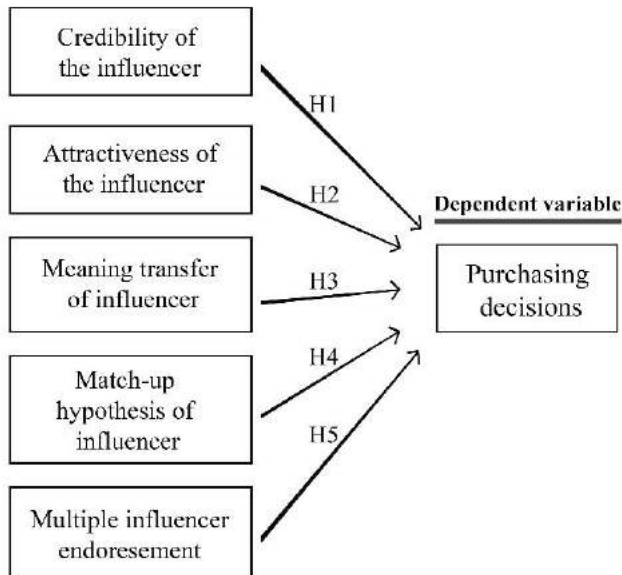


Figure 1 Conceptual framework

H1: Credibility of influencer has a positive effect on purchasing decisions of Z-generation's mobile phone users in Kurunegala district.

H2: Attractiveness of the influencer has a positive effect on purchasing decision of Z-generation's mobile phone users in Kurunegala district

H3: Meaning transfer of the influencer has a positive effect on purchasing decision of Z-generation's mobile phone users in Kurunegala district.

H4: Matchup hypothesis of the influencer has a positive effect on purchasing decision of Z-generation's mobile phone users in Kurunegala district.

H5: Multiple influencer endorsements have a positive effect on purchasing decision of Z-generation's mobile phone users in Kurunegala district.

Sample selection had to be considered several factors for the study. Z generation is broadly defined as the 72 million people born between 1997 and 2012, but research has recently defined Gen Z as anyone born after 1997. However, mainly meaningful buying behaviour and exposure to media can be seen with the age of around 20, and therefore they are well conversant in answering questionnaires on the subject matter. Hence, this study considered individuals born after 1997 and those residing in the Kurunegala district as the study population. Using purposive sampling, a sample of 384 individuals was selected for the study, and the sample size was determined using Morgan's table. However, only 296 responses were received. A self-administered questionnaire was administered in the data collection.

Reliability and validity of the questionnaire were assured through the Cronbach alpha test and Pearson correlation coefficients, respectively. The data analysis was conducted using multiple regression analysis.

RESULTS AND DISCUSSION

A multiple regression analysis was carried out in order to test the hypotheses of the study, and its result is reproduced in table 1.

Table 1 Results of multiple regression analysis

Variable	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
Constant	.356	.163		2.183	.030
Credibility of influencer	.271	.096	.180	2.819	.005
Attractiveness of the influencer	-.092	.093	-.081	-.988	.324
Meaning transfer of the influencer	-.108	.125	-.079	-.868	.386
Matchup hypothesis of the influencer	.075	.112	.057	.666	.506
Multiple influencer endorsements	.698	.142	.474	4.917	.000
Adj. R Square: 0.310		F- Value: 27.088			

The findings depicted in the above table can be interpreted as follows. The adjusted R² value of 0.310 shows the degree to which the variance of the dependent variable is affected by the independent variables. Accordingly, 31% of the variance of purchasing decisions of Generation Z can be explained by the independent variables, the credibility of the influencer, the attractiveness of the influencer, the Meaning transfer of the influencer, the Match Up hypothesis of the influencer, and multiple influencer Endorsement. F statistics indicate whether the regression model provides a better fit to the data than a model with no independent variables. As the P value is 0.03, which is less than the significance level ($P < 0.05$), the regression model is statistically significant. Therefore, it can be concluded that this model fits the data better than the model with no predictor variable.

According to the above multiple regression analysis, the Beta value of credibility of the influencer is 0.180 and significant at 0.005 ($P < 0.05$). Accordingly, there is a significant and positive effect of the credibility of influencers on purchasing decisions of Z generation mobile phone buyers. The results indicate that the Beta value of Multiple Influencer Endorsement is 0.474 and significant at 0.05 ($P < 0.05$). So, Multiple Influencer Endorsement has a positive effect on purchasing decisions of Z generation mobile phone buyers. However, no significant effect can be identified from the other independent variables. Therefore, only H₁ and H₅ be accepted as having significant positive relationships between variables considered.

Gayathri and Anwar (2019) argued in their studies that there is a strong relationship between the credibility of influencers and buyer behavior. In this study, it is evident that, with the critical findings mentioned above, credibility has a positive effect on purchasing decisions. Belch and Belch (2010), source attractiveness and its effectiveness are more related to physical attributes, such as similarity, familiarity, and likeability, which are essential factors in an initial judgment rather than facial attractiveness. However, the present study does not support this literature. As for the relationship between influencer meaning transfer and purchasing decisions, the above results show that meaning transfer does not affect purchasing decisions.

Furthermore, based on the analysis, it can be noticed that there is an insignificant relationship between the meaning transfer of influencer and buyer behaviour in Mobile phone purchasing. Further, it can be noticed that there is a relationship, albeit an insignificant one, between the match-up hypothesis of influencer and buyer behaviour in Mobile phone purchasing. Hence it can be concluded that the match-up hypothesis is not one of the prominent factors of influencer endorsement considered by buyers when making their buying decision in the Mobile phone market, and these findings tend to agree with a previous study. When investigating the relationship between multiple influencer endorsements and purchasing decisions in the mobile phone purchasing market, it can be noticed that there is a positive relationship between multiple influencer endorsements and purchasing decisions in Mobile phone purchasing. Many other studies have identified a similar positive relationship between multiple influencer endorsements and buyer behavior in various countries.

CONCLUSIONS AND IMPLICATIONS

This study finds credibility of influence and multiple celebrity endorsements as critical factors influencing the buying decision of the Z-generation, particularly concerning the mobile phone industry. The main implication to marketers is that contrary to the belief attractiveness of an endorser affects a buying decision, in the context of the mobile market, it would have less importance. Hence, it can be noted that the Sri Lankan marketers must make sure the credible celebrities in numbers to be used as brand endorsers as the method described above will result in positive brand recall and, as a result, positive purchasing behavior toward the brand when they are targeting Z generation customers. Further, it is advisable not to consider the celebrity's attractiveness in making them brand ambassadors to represent mobile phone brands if they are to attract Z generation customers in a Sri Lankan context. The findings of this study also provide a guiding framework for practitioners who would like to use a celebrity endorsement strategy in promoting mobile phones to Sri Lankan Z-generation.

Keywords: Buying behaviour, celebrity influencers, mobile phone industry, Z-generation.

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Economics & Entrepreneurship

BARRIERS OF IMPLEMENTING HOUSEHOLD LEVEL SOLAR PHOTOVOLTAIC SYSTEMS IN KURUNEGALA DISTRICT OF SRI LANKA: A SOCIAL PERCEPTION ANALYSIS

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INTRODUCTION

Goal seven of the sustainable development goals set by the United Nations emphasizes the importance of affordable access to renewable clean energy all over the world (UNDESA, 2021). The evolution of solar photovoltaic (PV) techniques were developed in Sri Lanka in the 1970s. Since then, solar PV technology has attracted the private sector with great success. Since most companies targeted the urban areas, few non-governmental entities had established solar PV at the community level to supply electricity to the areas the Ceylon Electricity Board does not cover. Solar PV development in Sri Lanka has appreciated and grabbed donors' attention, such as the Asian Development Bank and World Bank (Gunaratne, 1994). The economic developments, which are planned and ongoing, have increased the drastic demand for electricity in Sri Lanka. The rising electricity demand will increase the emission of greenhouse gases unless the strategy for non-renewable energy is formulated and implemented (Silva, 2020). The government of Sri Lanka has given a target to be a carbon-neutral country by 2050 as per international obligations. Building rooftop solar PV technology plays a considerable role in supplying electricity to customers. The installation of solar PV on the roof area of the building can reduce land usage to a certain extent, particularly in Sri Lanka's urban areas. Further, solar PV electricity generation can curtail the negative environmental impact. Kurunegala is a district in Sri Lanka which has twelve hours of solar radiation in a day throughout the year, as shown in Figure 1 (Weather Spark, 2022)

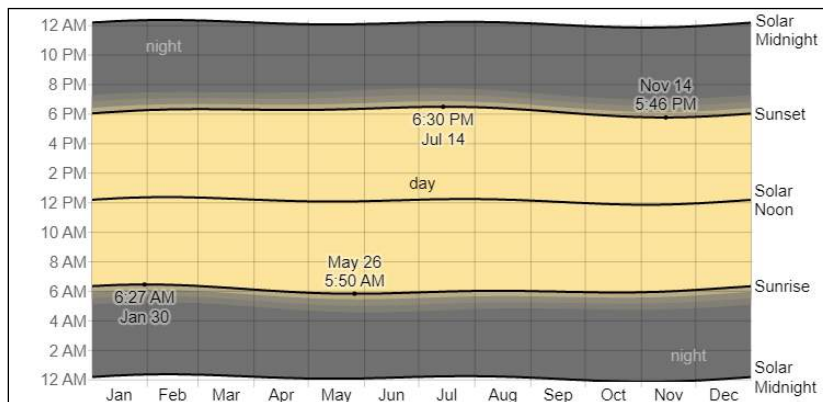


Figure 1 Annual Solar availability in Kurunegala (Weather Spark, 2022)

However, there are many barriers to implementing solar PV systems, especially rooftop solar PV in Sri Lanka, identified by scholars through previous studies. The improper allocation of institutional responsibility in screening and approving solar PV projects makes the approval process difficult since many stakeholders are involved in the approval process (JICA, 2018). The technical know-how about solar PV and the lack of awareness of the economic, environmental, and social benefits are critical issues in Sri Lanka. The financial barrier is one of the main barriers to implementing the household rooftop solar PV.

As per previous studies, there is no clear evidence to conclude the impact of values or attitudes on the behavioural decision of solar PV implementation. However, some scholars and psychologists are confident in changing behaviour and attitude regarding energy usage (Dwyer et al., 1993). Hence the present study highlights the requirement to understand the factors hindering household investors in implementing rooftop solar PV systems at the household level. As such, the study's objective is to identify the barriers to implementing solar PV systems in residential buildings to generate electricity from the perspective of homeowners in the Kurunegala district in Sri Lanka.

METHODOLOGY

The study involved obtaining a response to the questionnaire from 104 individuals across the Kurunegala district in Sri Lanka about their perceptions and the barriers to implementing household solar energy systems in their houses. The responses were collected from the individual members and not from the household since different opinions and ideas can be obtained within the same family regarding the barriers to implementing solar PV systems. The data collection was done in May and June 2021 through online (Google form) and face-to-face methods. The respondents were reached through the Divisional Secretariat offices in Kurunegala district. The online respondents represented approximately 70% of the sample. The sampling method concentrated on maximising geographic diversity to enable the participants to form rural and urban individuals. The questions were based on economic and environmental values, technical know-how, and social behaviour. The questionnaire consists of two sections: background information and ten critical factors for implementing solar PV systems with a 5-point Likert scale choice.

RESULTS AND DISCUSSION

The number of respondents for this study is 104, out of which 64 are males (62%), and 40 are females (38%). The age range of respondents is 20 to 65 years. The majority represents (38%) of the age group of 35 to 45 years old. Nearly 89% of the respondents are between the 25-55 age group. Household size is categorized into four groups; 62% of respondents fall under 4-6 household size, 28% under 1-3, 9% under 7-10, and 1% under ten or more household size. Most respondents (53%) serve either in government or private service. Concerning the educational background of the respondents, 53% of respondents have completed tertiary education, 30% have completed a university degree, 11% have completed secondary education, and 6% have completed primary education,

Most of the respondents (88%) live in the Kurunegala district, while 81% of respondents live in houses. Most respondents (88%) know that electricity can be produced using a solar PV

system, whereas 73% consider solar energy as one of the best solutions to curtail the energy crisis in Sri Lanka, as shown in Figure 2.

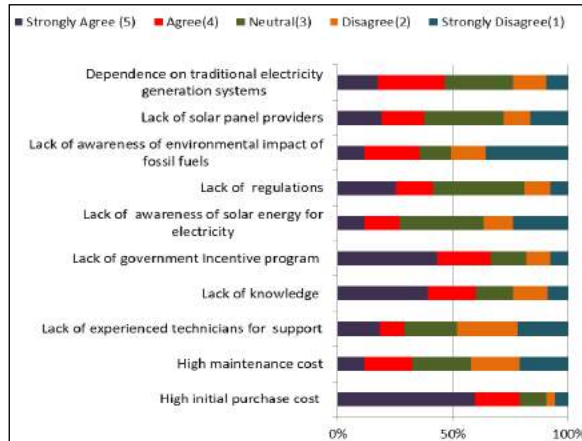


Figure 2 Respondents' perceptions of barriers in implementing solar PV system

As per the responses, a high number of respondents showed a perception of solid agreement on the factors. Figure 3 presents the questionnaire that identifies various barriers to implementing rooftop household-level solar PV energy generation. 62 out of 104 strongly agreed that higher implementation cost is the barrier to the household-level solar PV energy system

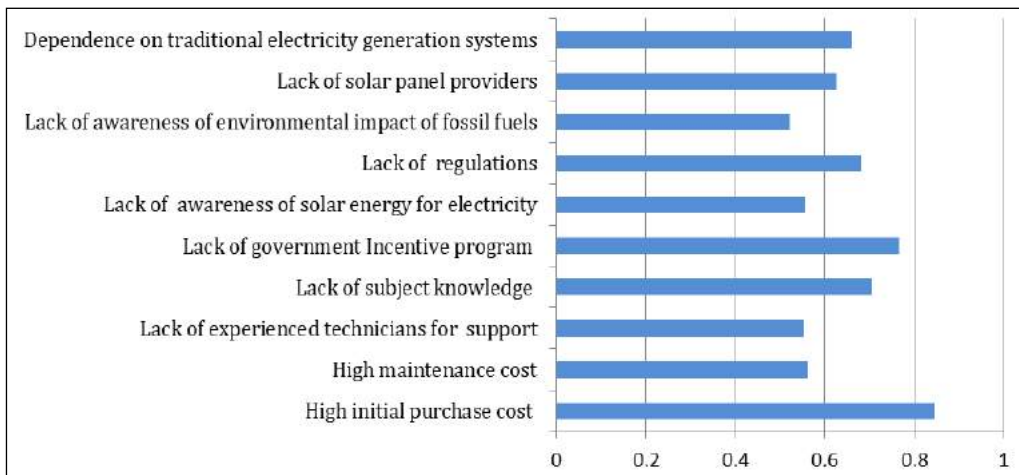


Figure 3 Relative Important Index of barriers in implementing solar PV system

Relative Important Index (RII), which is necessary to rank the main selection criteria, was identified through literature synthesis and a questionnaire survey. The collected data through a questionnaire survey were ranked using RII as this technique was used by researchers to rank factors in their research in previous studies. Hence RII was calculated to rank the main factors as barriers to implementing rooftop household-level solar PV energy generation systems in this study, as shown in Figure 3. As such, the factor “higher implementing cost” is identified as the most influencing barrier, followed by a lack of government incentive programs and subject knowledge to implement rooftop household-level solar PV energy generation in Kurunegala district of Sri Lanka.

$$RII = \frac{\varepsilon W}{A * N} \dots (1)$$

Where;

RII	=	Relative Important Index
W	=	Weighting given to each factor by the respondents
A	=	Highest weight
N	=	Total number of respondents

CONCLUSIONS AND IMPLICATIONS

The research on social perception towards implementing household-level solar PV energy generation systems in Kurunegala district of Sri Lanka was carried out, responses were examined, and results were analyzed. One hundred four population samples contributed and responded to the questionnaire with distributed age groups, higher levels of the working class, and considerably high educational levels. Most respondents have heard about the solar PV system and understand that solar PV electricity is one of the best solutions to the electricity crisis. The results show that higher implementation cost is the most influencing barrier, followed by a lack of government incentive programs and subject knowledge to implement rooftop household-level solar PV energy generation in Kurunegala district of Sri Lanka.

Keywords: Barriers, renewable energy, social perception, solar photovoltaic

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CONSUMERS' ATTITUDES TOWARD ONLINE FOOD DELIVERING MOBILE APPLICATIONS: SPECIAL REFERENCE TO WESTERN PROVINCE, SRI LANKA

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INTRODUCTION

Online shopping is becoming more popular in the modern era all around the world. Accordingly, retail e-commerce sales will reach \$2.290 trillion in 2018, accounting for 10.1 % of global retail sales. Throughout the forecast period, Asia-Pacific will continue to be the world's largest retail e-commerce market, with sales estimated to reach \$2.725 trillion (Koththagoda & Herath, 2018). The development of Internet technology has had a significant impact on consumers' daily activities, and many previous offline activities have now migrated to the online world. As a result, internet retail purchasing has grown in popularity and become an essential aspect of consumer life. Internet penetration in Sri Lanka climbed by 30% in 2016 and has significantly impacted Sri Lankans' lives. Specifically, social media and e-commerce have increased online purchasing has proven to be a successful procurement method since it makes it simple for consumers to purchase goods or services (Colombo Digital Marketers, 2017). Manufacturers, suppliers, and marketers need not maintain physical stores or retail shops to display items; instead, to meet consumer demand, they need an effective supply chain and warehouses (Dias & Ranwala, 2015).

Most countries severely curtailed social life to slow the spread of COVID-19. Most retail establishments and services had to close in countries that imposed a shutdown (Koch et al., 2020). Even when Sri Lanka has recovered from the effects of COVID-19, there will be a lingering effect on shopping behavioural tendencies (Karunaratne & Karunadasa, 2021). In Sri Lanka, around 34.11% of the population had an internet connection in 2019., and it has increased over 2010 when only about 12% of Sri Lanka's population used the internet (Figure 1).

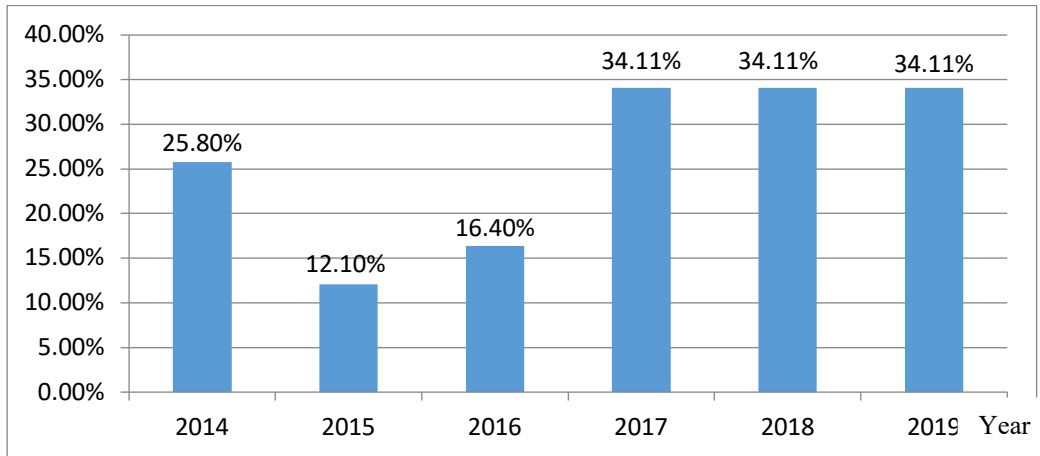


Figure 1 Internet penetration rate in Sri Lanka (Statista, 2021)

In 2022, the E-Commerce market of Sri Lanka is expected to generate \$2,492 million in revenue, and it is estimated to grow at a 20.96% annual rate (CAGR 2022-2025), resulting in a market volume of US\$4,410 million by 2025. In 2022, user internet penetration will be 35.2%, with 42.3% projected by 2025. The ARPU (average revenue per user) is predicted to be \$327.83 (Statista, 2021). Limited research was available on consumers' attitudes towards online food delivery mobile applications in Sri Lankan Context. The researcher has conducted the research to fill up the above gap. Restaurant owners and food delivery app providers do not consider customer attitudes toward mobile applications much. This study provides a practical overview of the factors influencing consumer attitudes about online food ordering and mobile delivery apps. The previous studies broadly outlined some of the causes of mobile app adoption; nevertheless, the results show considerable changes between the variables impacting customer attitudes toward the m-commerce app compared to the same group of consumers at each research step.

METHODOLOGY

The study has the theoretical underpinnings of the Technology Acceptance Model (TAM) and, using secondary data, illustrates the current state of the use of food ordering apps in Western Province. The conceptual framework consists of four independent variables namely Perceived Usefulness, Perceived Ease of Use, Perceived Enjoyment, and Perceived Risks (Figure 1.). The study measures the relationship with the consumers' attitudes towards mobile food ordering and delivery apps. The study conducted a self-administered questionnaire (five-point Likert scale) survey online and physically. Since mobile shopping is a relatively new technology, its ease of use may contribute to its increased perceived value.

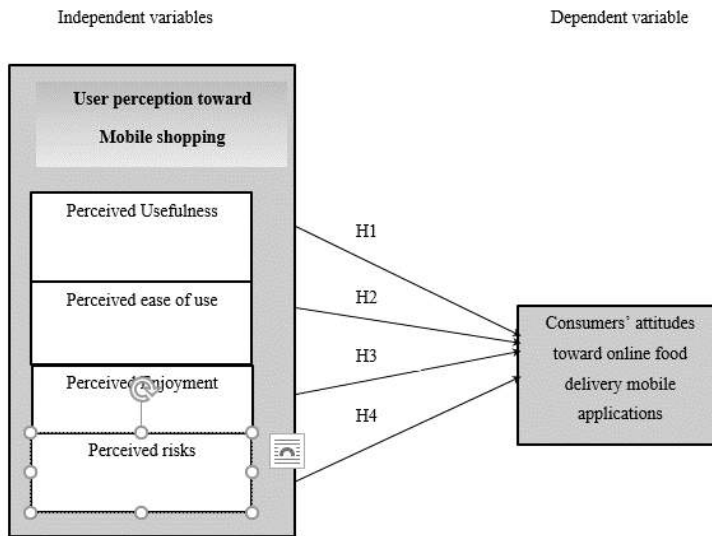


Figure 1 Conceptual Framework

Accordingly following hypotheses were tested.

H₁: Perceived usefulness (PU) positively impacts consumers' attitudes (CA) toward mobile food ordering and delivery apps.

H₂: Perceived ease of use (PEU) positively impact consumers' attitudes (CA) toward mobile food ordering and delivery apps.

H₃: Perceived Enjoyment (PE) positively impacts consumers' attitudes (CA) toward mobile food ordering and delivery apps.

H₄: Perceived Risk (PR) negatively impacts consumers' attitudes (CA) toward mobile food ordering and delivery apps.

The target population of this current study was consumers using mobile food ordering and delivering apps in Western Province, Sri Lanka. In Sri Lanka, there are a significant number of people that use mobile food ordering apps. Online food buyers in the Western province were identified as the research population because it is the country's first-level administrative division. Furthermore, the western province is the country's most heavily inhabited and serves as the country's administrative and business hub. According to the Registrar General Department of Sri Lanka, the mid-year population of the western province is approximately 6,219,000 in 2021. The researcher used convenient sampling to collect data. The sample size was determined using the table for determining sample size from a specified Morgan table. The sample size of 384 out of 6219000 consumers was drawn out with a proportionate random sample based on criteria (Sekaran & Bougie, 2003).

RESULTS AND DISCUSSION

Table 1 Reliability and Validity testing

Construct	Cronbach's Alpha	No of Items
Perceived Usefulness	0.685	3
Perceived Ease of Use	0.718	4
Perceived Enjoyment	0.659	4
Perceived Risk	0.848	7
Consumer Attitudes	0.798	3
All Variables	0.940	21

Internal consistency reliability for Consumer attitudes about mobile food ordering applications was 0.798, and Cronbach's alpha for perceived usefulness was 0.751, according to Cronbach's Alpha.

Table 2 Correlation analysis

	PU	PEU	PE	PR	CA
PU	1				
PEU	.805**	1			
PE	.749**	.840**	1		
PR	.776**	.804**	.783**	1	
CA	.757**	.803**	.765**	-.591**	1

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

The relationship between the independent variables and the dependent variable is indicated by multiple correlation analysis (Table 2). There is a significant link between the variables if the p-value is smaller than the essential p-value of 0.05. The p-values for all independent variables other than technical hurdles are smaller than the threshold p-value of 0.05 at the 95 percent confidence level, according to Table 2 Multiple Correlation Test.

Table 3 Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Constant	-.574	.140		-4.105	.000
PU	.484	.060	.386	8.114	.000
PEU	.624	.069	.517	9.044	.000
PE	.446	.064	.357	6.955	.000
PR	-.458	.056	-.403	-8.218	.000

a. Dependent Variable: Consumer Attitudes

To identify the most impacted variable, the researcher has analyzed multiple regressions Analysis and found Perceived ease of use as the most impacted variable on Consumer attitudes.

Table 4 Model Summary

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
1	0.861 ^a	0.742	0.739	0.35043

a. Predictors: (Constant) Perceived Risk, Perceived Enjoyment, Perceived Ease of Use, Perceived Usefulness

R² is the percentage of total variance explained by independent variables on dependent variables and represents the predictability of the research model. The researcher has used Technology Acceptance Model, and the results interpret 0.742 of the R² value. The significance value of the overall model was found to be less than a 5% significance level. Accordingly, the null hypothesis of the model not being significant is rejected, leading to the conclusion that the overall model is significant.

CONCLUSIONS AND IMPLEMENTATIONS

The primary purpose of this research was to identify the impact of consumer attitudes towards online food ordering and mobile delivery applications in the Western province of Sri Lanka. The population of this study was online food ordering and delivering app users of the western province. Measure user perception of mobile shopping, four factors that determine consumer attitudes towards online food ordering and delivery applications; perceived usefulness, perceived ease of use, perceived enjoyment, and perceived risk on consumer attitudes, through the measured relevant dimensions and indicators of the independent and dependent variables. The researcher tries to find the influence of the above-mentioned independent and dependent variables. According to Morgan (1970), the researcher has selected 384 respondents from the Colombo, Gampaha and Kaluthara districts. The confidence level was determined as 95%, as recommended. Data were collected through a self-administrated questionnaire and sent in Google form via e-mail, WhatsApp, Facebook messenger, and other social media platforms. Collected data were entered into IBM SPSS 25 software to analyse and calculate the final results. Before running the significant functions, the first reliability and validity tests were done, and the results were up to the recommended level. Then descriptive statistics were done, and the standard deviation and mean were obtained. According to correlation values and regression values, four hypotheses were accepted ($p < 0.05$) and verified a positive influence of perceived usefulness, ease of use, enjoyment, on the dependent variable of Consumer attitudes.

Keywords: Consumer attitudes, food ordering and delivering applications, online shopping, TAM

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EFFECT OF ENTREPRENEURSHIP ON ECONOMIC GROWTH

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INTRODUCTION

Since the new monetary emergency, the worldwide economy has faced a progression of tensions, like the downturn and fast decay of public economies, massive decrease in utilization, or expanded joblessness. Under these circumstances, the policymakers were defied with crisis measures to help monetary recuperation. Likewise, probably the most severe economies understood that the business climate needs backing to improve efficiency and future thriving and zeroed in on cultivating business ventures to make occupations, giving better admittance to funds and more open doors through training.

The business venture has for quite some time been viewed as a critical component of monetary turn of events. Nonetheless, observational examinations of the job of business in economic development show blended proof. Right now, business is viewed as a massive setting for monetary improvement by extending work, development, and government assistance. Advancement is the methodology of making something new with special incentives for individuals, groups, associations, industries, or societies. Development is an element of business visionaries and ventures. Taking care of issues and following open doors need arrangements, most of which might have a place with a unique status. Subsequently, innovativeness and its subsequent advancement are imperative for the endurance and progress of ventures (Compeau & Higgins 1995).

The Solow neoclassic development model is mechanical advancement in exogenous, and subsequently, it is free from financial inspirations. In the conventional model, financial development was acquired by the collection of capital and exogenous mechanical advancement, neither relying upon enterprising jobs by any means. Venture assets of endeavors obliterate the past item for arriving at another item. In such a case, the capital was killed from the essential model, and development came about because of innovation progress. Subsequently, development was made by rivalry among undertakings. When an organization starts to profit from a hoarded development, contending organizations are subsequently urged to advance advancement, thus making the past advancement repetitive Braunerhjelm (2008). Regardless of the conspicuous pretend by Joseph Schumpeter in mid-20th century to make sense of the monetary impact of business ventures, the related subjects have been underestimated in major financial streams for quite a while. In any case, in the previous ten years, deciding the portion of business visionary powerful modern methods and economic development has been restored among scholastic and strategy producers. Besides, theoretical texts have a propensity to attempt to enter a business person into the development models. Stam and van Stel (2009) applied three informative factors of financial development of a country: the pace of business venture, yield per capita, and the world rivalry file. Utilizing

information from GEM, they observed that business visionary exercises' rate emphatically affects economic development.

Wong et al. (2005) made sense of business and mechanical advancement as development factors in emerging nations. The outcomes recommend that rapid development of new organizations works in little and medium-estimated organizations. Stam and Van Stel (2009) utilized two sizes of estimating business: The pace of business given "need" and "opportunity." Results showed that the impact of these scales relies upon the degree of advancement in these nations. As mentioned by Roundy (2017), one of the most widely recognized terms in writing on a business venture is 'development.' This is connected with innovation, technique, or industry, in particular, to 'social business venture,' which goes past the quest for benefits, handling social, social, and ecological issues. Tosterud (2015) states that Innovation utilized in further developing hierarchical execution is not an element of the public area in all economies. Besides, there are tremendous contrasts in private and public organizations' authoritative and functional parts.

METHODOLOGY

The researcher has taken secondary data from ten nations participating in the GEM in 2021. The secondary information on six essential factors are utilized in our model: YB rate, YB medium development, YB high development, development of GDP, per capita pay, and the development intensity list (GCI). It is by and extensively recognized that there are contrasts in the conveyance of business ventures across nations. Studies investigating contrasts in business ventures across nations frequently center on the frequency of new firm enlistment or independent work, which may not be solid markers when applied to change and emerging nations with massive casual economies and fewer options in contrast to independent work. Hence we have utilized the Youthful Business (YB) marker, characterized as the level of the grown-up populace that is the proprietor/supervisor of a business under 42 months old (a youthful business). Many investigations have utilized the complete, enterprising action (TEA) record. However, that additionally incorporates the more theoretical class of early business visionaries (people setting up another business). In the current review, it the researcher wanted to explore whether the presence of development-situated business people is a more significant determinant of public monetary development than pioneering action overall. In the ongoing paper, we will perform relapse investigations close to the overall YB file, the YB high development assumption rate, and the YB medium development assumption rate as free factors and contrast their effect on economic development and the effect of the overall YB list. The information and model utilized in this study are portrayed beneath.

The six essential factors are utilized in our model: YB rate, YB medium development, YB high development, development of GDP, per capita pay, and the development intensity list (GCI). The sources and meanings of these factors are recorded beneath.

Table 1 YB rates (2018) and GDP growth rates for 10 countries

	YB Rate	YB medium growth rate (6+)	YB high growth rate (20+)	Average GDP growth rate 2018-2021
US	5.52	3.15	2.36	3.56
Russia	2.23	2.36	2.15	6.19
South Africa	4.00	1.36	0.59	3.64
Netherland	4.09	1.98	0.31	0.52
Belgium	3.08	1.65	0.96	2.36
France	0.95	2.35	1.38	2.36
Spain	4.54	2.16	1.46	1.64
Hungary	4.36	2.13	1.98	3.65
Italy	3.65	2.15	1.64	1.25
India	9.42	3.69	2.45	2.15

Table 2 Model Summary

Dependent variable: average annual growth of GDP over the period 2018-21			
	Model I: YB	Model II: YB6	Model III: YB20
Constant	36.3 ** (5.8)	36.5 ** (8.7)	39.9 " (5.7)
Entrepreneurship in rich countries'	0.85 " (2.6)	0.89 " (2.4)	0.45 (1.3)
Entrepreneurship in transition countries	0.36 " (2.1)	1.35 *** (3.2)	1.45" (2.5)
Entrepreneurship in poor Countries	0.053 (0.3)	0.24 (0.8)	0.29 (0.5)
Log (GNIC)	-2.3 " (2.5)	-2.3 " (2.9)	-2.2 " (2.4)
GCI	0.59 (0.7)	0.80 (1.1)	0.86 (1.1)
Lagged GDP growth	0.22 (1.1)	0.18 (0.9)	0.21 (1.0)
R ²	0.672	0.693	0.676
Jarque Bera statistic [p-value)	[0.259]	[0.278]	[0.427]

The consequences of our observational activities are in Table 2. The model I presents the relapse consequences of the effect of the overall YB file (see condition 1). At the same time,

Models II and III show the outcomes utilizing the YB6 and YB20 rates as principal free factors (see condition 2). The outcomes introduced in Table 2 show that the effect of the enterprising movement is altogether specific for wealthy nations, yet zero for unfortunate nations. Development-situated business visionaries are more significant for accomplishing GDP development than general business. Contrasting the coefficients of the different YB rates, we see that the effect of YB6 is more noteworthy when contrasted with the effect of YB overall. In the meantime, the effect of YB20 is much more prominent yet not genuinely critical all of the time.

RESULTS AND DISCUSSION

Our relapse results ought to be deciphered with care as the examination depends on a predetermined number of perceptions (10 nations). As a trial of heartiness, we assessed the models leaving out each country in turn; for example, ten assistant relapses were processed, where every relapse utilizes ten perceptions (each time forgetting about one of the ten nations). Even though values in some cases dropped a bit, coefficients and t-values were, for the most part, following those revealed in Table 2. The country that makes the most significant difference in the outcomes got in Table 2 is China. This is not expected as China joins high YB/YB6/YB20 rates with high GDP development rates (see Table 1). While avoiding this country about the example, the coefficient (t-value) for the change nations is 0.32 (0.5) for the YB rate, 1.47 (1.2) for the YB6 rate, and 1.72 (1.1) for the YB20 rate. The low t-values are to some degree because of the low number of perceptions. Note that the coefficients are the same as the complete example gauges in Table 2.

Moreover, the Jarque-Bera test on the ordinariness of aggravations is passed for all models detailed in Table 2, demonstrating that eliminating individual country observations is unnecessary. In this way, the researcher feels that the outcomes are compelling to the likely impact of exceptions. Given the low number of perceptions, the outcomes should be viewed as a first representation of how the effect of various kinds of business might contrast between gatherings of nations with various degrees of improvement.

CONCLUSIONS AND AMPLICATIONS

The system relating to the pioneering movement should have economic development depending on four components. First, it ought to distinguish the miniature financial underpinnings of development, underlining the job of information externalities in the development cycle. Second, it should recognize middle-of-the-road linkages from innovative action to monetary advancement. The "information overflow hypothesis" writing seems to contribute considerably to that. Third, it should manage double causality between enterprising action and development. Lastly, it should consider the multidisciplinary character while connecting various degrees of analysis. This study is based on secondary data, and only ten countries were considered for this study. There is tremendous scope for future study. It will be left to the researcher to expand the scope of the study. However, there is a possibility for collecting primary data and carrying out empirical-based research.

Keywords: Economic development, economic growth, entrepreneurship

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FACTORS AFFECTING DEMAND FOR MONEY: EVIDENCE FROM SRI LANKA

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INTRODUCTION

Demand for money is essential in macroeconomic studies, especially when implementing monetary policy. A stable money demand ensures money supply management such that price stability, exchange rate stability, and economic growth are achieved within an economy under the equilibrium assumption of money markets. Further, increasing trade liberalization, capital market globalization, adopting flexible exchange rate regimes, innovation, and technological advancements are the reasons for determining money demand (Zehra et al., 2020). Demand for money is a well-known concept in the academic field since it is one of the crucial variables primarily concerned with formulating the monetary policy framework. Monetary policymakers pay great attention to the demand for money as its stability and sound management make monetary policy more effective, and it can positively impact the economy itself.

Many academic debates have argued the determinants of money demand for many years. Friedman's contributions to the quantity theory of money are known as an interpretation of money demand by the classical economist. According to Friedman (1994), investors can hold their wealth in different forms of money, such as bonds, equity shares, and commodities. Moreover, he emphasizes that the demand for money depends on the rates of return of the assets and upon income. In the quantity theory of money, Fisher (1911) argued that the demand for money is a function of income. The liquidity preference theory of Keynes (1936) mentioned that people demand money for transactional, precautionary, and speculative motives in his liquidity preference theory of money demand. Further, he states that money demand depends on income and interest rates. People hold money as part of their portfolio of assets since money has a different combination of risk and return than other assets, as mentioned in the Portfolio theories of money demand. Inventory theories suggest that money demand for transactional motives has a positive relationship with income and a negative relationship with the nominal interest rate earned on alternative assets.

Several empirical studies examine the factors affecting money demand on a global scale. Zehra et al. (2020) found a long-run relationship between money demand and its determinants in Pakistan. Results of the NRDL model show a negative relationship between money demand and inflation in the short and long run. Real income indicates a positive effect on M1 and a negative effect on M2. Wald test confirms the asymmetric relation on the real effective exchange rate in the long run with M2. In contrast, the study observes a linear, symmetrical relation in the short run. Mahmood and Alkhateeb (2018) examined the money demand function of Saudi Arabia. The results suggest that income and inflation positively and negatively affect money demand, respectively. Further, the study reveals that a genuine appreciation of the US dollar has a positive effect and a real depreciation has a negative effect

on the money demand. Farazmand et al. (2016) investigated the influence of money demand among MENA (the Middle East/North Africa) countries. The study shows that inflation negatively and significantly affects money demand. In addition, exchange rate and income negatively and positively affect money demand, respectively.

As mentioned above, previous studies have considered the factors affecting the demand for money globally. However, there is a dearth of similar studies in the Sri Lankan context. This motivates me to fill this gap through an empirical study. Therefore, the main objective of this study is to investigate the factors affecting the demand for money in Sri Lanka. This study's findings would help policymakers adopt appropriate strategies and policies regarding monetary aggregates in Sri Lanka.

METHODOLOGY

This study covers the annual data of Sri Lanka from 1980 to 2021. The data of broad money demand (M2), consumer price index (CPI), an exchange rate (ER), gross domestic product (GDP), and interest rate (IR) were collected from annual reports of the Central Bank of Sri Lanka. All variables, except IR, are transformed into a natural logarithm in the analysis. ADF and PP unit root tests were adopted to test the stationarity property of the data series. Akaike Information Criterion (AIC) is applied to determine the optimal lag length of the series. The empirical model was formulated based on the literature as given below:

$$LM2_t = \beta_0 + LCPI_t + LER_t + LGDP_t + LIR_t + U_t$$

The Autoregressive Distributed Lag (ARDL) Bounds testing procedure was employed to determine whether there is co-integration and the long-run relationship between variables. Error correction version of the ARDL model was adopted to examine the short-run relationship between variables and long-run adjustment. In addition, diagnostic tests were conducted to check whether the results were robust. A cumulative Sum (CUSUM) test was conducted to check the stability of the model.

RESULTS AND DISCUSSION

According to the results of ADF and PP unit root tests, IR is stationary at a level while other model variables are stationary at the first difference. Thus, the analysis was performed with the ARDL model. Akaike Information Criteria (AIC) advocated using the ARDL (3, 0, 0, 0, 3) model for the analysis. As a prerequisite for accurate estimations, diagnostic tests were employed, and the results are given in Table 1.

Table 1 Results of Diagnostic Tests

Test	Probability
Normality (Jarque – Bera Test)	0.7501
Serial Correlation (BG LM Test)	0.0889
Omitted Variables (Ramsey RESET Test)	0.2300
Heteroskedasticity (BPG Test)	0.2478

Results of the diagnostic tests confirm that residuals are distributed normally, residuals are not serially correlated, there is no specification error in the estimated model, and the disturbance term in the equation is homoscedastic.

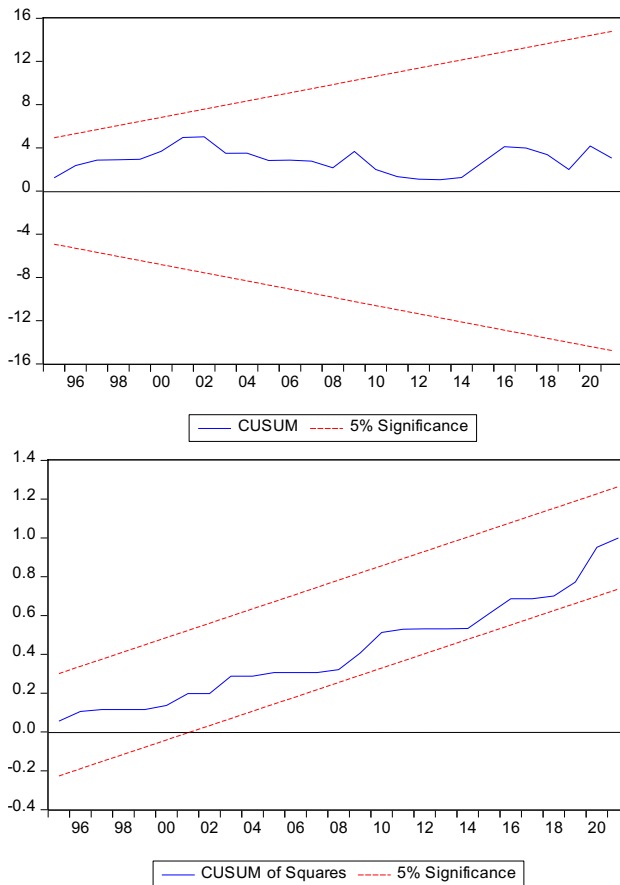


Figure 1 CUSUM and CUSUM Squared

Recursive estimates of the CUSUM plot (See Figure 1) lie within the upper and lower critical bounds at a 5% significance level. It ensures the stability of parameters. As the next step of estimation, the result of the Bounds test in Table 2 shows that F – statistics is 8.28. This exceeds the critical value of the upper bound of 4.57 and ensures the presence of the long-run relationship.

Table 2 Result of Bounds Test

Bounds Test	95% Level of Confidence		90% Level of Confidence	
	I(0) Bound	I(1) Bound	I(0) Bound	I(1) Bound
F-Statistics	3.47	4.57	3.03	4.06

According to Table 3 Panel A, ER negatively and significantly affects M2 in the long run, similar to the current study of Mahmood and Alkhateeb (2018). This implies that increasing ER causes M2 to decline in Sri Lanka. Meanwhile, ER predominantly affects M2 in the long

run. When ER increases by 1 percent, the M2 decreases by 0.2759 percent, holding others fixed. Whereas IR is the following variable that negatively and significantly affects the M2 in the long run as expected per the quantity theory of money. When IR increases by 1 percent, the M2 decreases by 0.0005 percent, holding others fixed. Further, CPI and GDP do not significantly impact M2 in the long run.

Table 3 Long run and short run Results

Panel A: Long run Coefficient Estimates					
	LCPI	LER	LGDP	IR	
	-0.0623	-0.2759**	0.0333	-0.0113*	
	(0.6765)	0.0264	(0.7939)	(0.0000)	
Panel B: Short run Coefficient Estimates					
Dependent Variable: LM2					
Lag order	⊗LM2	⊗LCPI	⊗LER	⊗LGDP	⊗IR
0		0.0041	-0.1574	0.0273	-0.0005
		(0.9812)	(0.2798)	(0.8518)	(0.8892)
1	0.6593**				-0.0062*
	(0.0346)				(0.0233)
2	-0.0169				-0.0077*
	(0.9280)				(0.0049)
3	-0.0169				-0.0088*
	(0.1369)				(0.0071)
ECT(-1) = -0.7540 (0.0357)					

Note: probability values are given in parenthesis. *, **, *** show significant at 1%, 5% and 10% level respectively.

The results of the short-run dynamic and long-run adjustment coefficient are presented in Panel B. Accordingly, lagged value of M2 positively and significantly affects the M2 in the short run. Moreover, lagged values of IR have a negative and significant impact on M2 in the short run at a 5% significance level. However, ECT (-1) carries an expected negative sign, which is highly significant, indicating that there should be an adjustment toward a steady-state line in the long run, one period after the exogenous shock. Nearly 75.4 % of disequilibrium in the M2 is corrected by every year.

CONCLUSIONS AND IMPLICATIONS

The main objective of this study was to investigate the factors affecting money demand in Sri Lanka. The time series data for 1980 – 2021 are used to achieve this objective. The selected ARDL model passes the entire diagnostic test and the stability test. The result of the ARDL Bounds test implies that there exists a co-integrating relationship between the variables. ER and IR negatively affect M2 in the long run. Further, the study found that CPI and GDP do not significantly impact M2 in the long run. Further, lagged value of M2 positively and

significantly affect the M2 in the short run. Moreover, lagged values of IR have a negative and significant impact on M2 in the short run. As a policy recommendation, the study suggests that the Sri Lankan government should focus more on exchange and interest rates when implementing monetary policies. Further, the policies that help control interest rates and exchange rate depreciation will give more advantages to managing money demand in Sri Lanka.

Keywords: ARDL bounds testing approach, co-integration, demand for money

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FOREIGN TRADE-ECONOMIC GROWTH NEXUS: EVIDENCE FROM SRI LANKA

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INTRODUCTION

The trade growth nexus has received much attention in the broad literature during the last few decades. The change in development thinking mainly contributes to this after the 1990s with the decline of socialism and the worldwide spreading of globalization. Further, Haq et al. (2021) clearly stated that trade- growth nexus had been hotly debated since the second wave of globalization in 1985. This tendency thrives more by the encouragement and continuous advice from the World Trade Organization (WTO), International Monetary Fund (IMF), and World Bank to move towards more liberal policies. Moreover, lessons from the faster-developing nations such as Hong Kong, Taiwan, South Korea, China, and India have forced policymakers to exercise more liberal policies with trade promotion. As a result, most developing countries shift towards an export-led growth strategy. Trade openness leads to efficient resource allocation, economies of scale, productivity improvement through technological advancement, foreign direct investment, and poverty eradication.

In the literature, trade openness was measured by the aggregate exports and imports ratio over Gross Domestic Product (Dollar & Kraay, 2003). Economists who advocate the export-led growth hypothesis consider exports can perform as an "engine of growth" (Eusuf & Ahmed, 2007). Trade facilitates growth mainly through resource allocation and productivity. The theoretical base for trade openness and growth originated from the neoclassical theory due to the success of the free market system. According to the absolute advantage and comparative advantage theory, international trade offers more comprehensive access to the world market and improves productivity with a cost advantage.

Further, endogenous growth theory identified a positive association between trade and economic growth (Lakmali & Dunusinghe, 2015). However, the empirical literature on trade growth nexus has been inconclusive and ambiguous as the previous findings were mixed (Eusuf & Ahmed, 2007). Most studies have identified a positive association between trade openness and economic growth (Herath, 2016). Ali and Abdullah (2015), reported no meaningful relationship between the growth rate of real GDP and trade openness. Nevertheless, some studies prove that trade negatively affects economic growth, and most of those studies are confined to developing countries (Warner, 2003). The mixed results reported by the empirical literature were due to the effect of the transmission mechanism of trade on growth. Thus, a country-specific analysis is essential in this nature in order to have a clear understanding of the trade growth nexus. The main objective of this paper is to investigate the link between International trade and economic growth in Sri Lanka during the post-liberalization period.

METHODOLOGY

This paper examines the impact of International trade on economic growth in Sri Lanka using time series data for the period 1977-2021. This study adopts a deductive research methodology to address the research questions and develops a model framework based on the literature. In order to assess the relationship between international trade and economic growth, the present study uses the real GDP growth rate as a dependent variable. A set of explanatory variables complemented with International trade variables is the proportion of the total value of exports and imports of a country's goods and services to the total GDP, and a set of macro variables such as gross domestic capital formation as a proxy variable for investment, Implicit price index as a proxy variable for the inflation rate, government expenditure as a percentage of GDP, labor force participation rate for the period 1977 to 2021. The relevant time series data were collected from the Central Bank's annual reports for 1977-2021. The following econometric model was specified for the study.

$$A1 \ln TOP_t + A2 \ln FD_t + A3 \ln GDCF_t + A4 \ln INFR_t + A5 \ln GOVE_t + A6 \ln LFPR_t + \varepsilon_t$$

Where GDPG is real GDP growth, TOP is International trade, FD is financial development, GDCF is investment ratio, INFR is the inflation rate, GOVE is government expenditure ratio, and LFPR is labour force participation rate. Unit root test was applied to test for the stationarity of the time series data by using the Augmented Dickey-Fuller test (ADF). Johansen Co-integration test was used to investigate the long-run relationship between trade openness and economic growth rate. Vector Error Correction (VECM) was used to test the short-run dynamics of the model.

RESULTS AND DISCUSSION

ADF test results reported that all the variables in the system are non-stationary at their levels. However, it becomes stationary at the first difference indicating that variables in the system are integrated in order (I). The optimal number of lag values, 2 for the endogenous variables of GDPG, TOP, FD, INFR, GDCF, GOVE, LFPR, was selected under the VAR lag order selection criteria. The Johansen co-integration test is used to examine the extended-run equilibrium model. The co-integration results, trace test, and maximum Eigenvalue statistics were used to indicate the long-run relationship among the variables selected in its initial form. According to the Co-integration test, trace statistics reject the null hypothesis that there is no co-integrated vector (None); there is at most one co-integrated vector (At most 1) at 0.05 levels. Further, the Co-integration test Maximum eigenvalue statistics rejects the null hypothesis that there is no co-integrated vector (None), there is at most one co-integrated vector (At most 1), and there is at most two co-integration (At most 2) at 0.05 levels. Thus, it indicates that trace statistics and maximum eigenvalue identified two co-integrating equations and three co-integration equations, respectively, at 0.05 levels, indicating a long-run relationship between the variables in the model and following a long-run path. The long-run regression equation is given in Table 1. According to the long-run linear regression analysis, trade openness has a negative impact on economic growth, but it is not significant. Thus nothing more can be said about it. However, financial development significantly negatively impacts economic growth (Table 1). It is noteworthy to highlight the significant positive impact of capital formation on economic growth in Sri Lanka. All other explanatory variables are not statistically significant in the model. Having identified the co-integration relationship

between the variables in the model, the researcher used Vector Error Correction modeling (VECM) to examine the short-run dynamics of the extended run model.

Table 1 Long-run Regression Results

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.056509	0.195345	0.289277	0.7739
LINFR	0.001330	0.007919	0.167967	0.8675
LGDCF	0.139667	0.039620	3.525123	0.0011
LGOVE	-0.036622	0.046826	-0.782093	0.4390
LLFPR	0.009387	0.058772	0.159717	0.8739
LTOP	-0.027182	0.035293	-0.770188	0.4460
LFD	-0.100204	0.028325	-3.537709	0.0011
R-squared	0.370046	Mean dependent var		0.054107
Adjusted R-squared	0.270579	S.D. dependent var		0.037598
S.E. of regression	0.032111	Akaike info criterion		-3.897225
Sum squared resid	0.039182	Schwarz criterion		-3.616188
Log likelihood	94.68756	Hannan-Quinn criter.		-3.792457
F-statistic	3.720308	Durbin-Watson stat		2.013633
Prob(F-statistic)	0.005236			

Having identified the co-integration relationship between the variables in the model, the researcher used Vector Error Correction modeling (VECM) to examine the short-run dynamics of the extended run model. The VECM results indicate that few variables in the short-run model indicate a significant relationship with the dependent variables GDPG.

Table 2 VECM Results

Coefficient		Std. Error	t-Statistic	Prob.
CointEq(1)	-0.015	0.032	-0.450	0.065
D(GDPG) (-1)	0.503	0.243	2.071	0.048
D(GDPG) (-2)	0.059	0.189	0.313	0.756
D(LGDCF)(-1)	0.100	0.089	1.118	0.273
D(LGDCF)(-2)	-0.126	0.092	-1.365	0.183
D(GOVE)(-1)	-0.033	0.109	-0.302	0.764
D(GOVE)(-2)	0.041	0.093	0.448	0.657
D(LINFR)(-1)	-0.005	0.011	-0.451	0.655
D(LINFR)(-2)	0.012	0.008	1.454	0.157
D(LLFPR)(-1)	-0.006	0.144	-0.042	0.966
D(LLFPR)(-2)	0.030	0.159	0.192	0.848
D(LTOP)(-1)	-0.326	0.133	-2.449	0.021
D(LTOP)(-2)	0.0375	0.128	0.292	0.772
D(LFD)(-1)	0.066	0.122	0.521	0.606
D(LFD)(-2)	-0.008	0.098	-0.008	0.935
Constant	-0.007	0.007	-1.005	0.323
R-squared	0.626	Mean dependent var		-0.000
Adjusted R-squared	0.410	S.D. dependent var		0.049
S.E. of regression	0.037	Akaike info criterion		-3.437
F-statistic	2.905	Durbin-Watson stat		2.192
Prob(F-statistic)	0.008			

The short-run coefficients of the model indicate that the immediate impact of the log difference variables and the subsequent year impact is not significant in most cases except GDPG and the TOP. The VECM results indicate that trade openness negatively impacts economic growth in the short run. This study reveals that the actual impact of trade openness can be felt after one year of time lag. This model is suitable to adopt since diagnostic testing indicates that variables are normally distributed; the Breusch Godfrey Serial correlation LM test denotes that the model is not suffering from a serial correlation problem, and the heteroscedasticity test indicates a higher probability value than 0.05, and it indicates this model is homoscedastic.

CONCLUSIONS AND IMPLICATIONS

The study's findings revealed that all the variables selected in the model are co-integrated, and a long-run association exists among the variables. In the extended run regression model, trade openness and financial development have a significant negative relationship with economic growth. The investment ratio has a significant positive impact on economic growth in Sri Lanka. According to the theory, trade promotes economic growth through capital allocation and allocative efficiency. However, extant studies argue that the debate on trade growth nexus is controversial, and it does not provide a unique answer on trade growth nexus. Thus, the finding of this study is confirmed by the recent literature, particularly on developing countries (Aslam, 2017; Warner, 2003). Moreover, the negative association between trade and growth may be due to the high import content of total trade. Thus, negative net foreign investment has a detrimental effect on economic growth in Sri Lanka. Accordingly, more attention should be given to promoting export while discouraging imports of non-essential goods in order to promote economic growth in Sri Lanka.

Keywords: Economic growth, gross domestic capital formation, international trade

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FRUIT AND VEGETABLE FARMERS' PERCEPTION OF THE IMPACT OF COVID-19 PANDEMIC AND ADOPTION OF SURVIVAL STRATEGIES

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INTRODUCTION

The extent of the novel Coronavirus caused adverse influences on all food markets, including fruits and vegetables. Farmers, retailers, and consumers are being faced with shocks in the supply and demand of food commodities (Richards & Rickard, 2020). This shortage of food products has caused a severe panic among individuals worldwide and made the pandemic even worse than expected (Kaushik *et al.*, 2021). Most countries went into lockdowns, travel and trade restrictions, separation of infected individuals, social distancing, and quarantine, while only the crucial economic sectors remained open. The rapid spread of COVID-19 has seriously impacted the developing economies due to their vulnerability and lack of resources to combat such a pandemic (Middendorf *et al.*, 2021). Like many other developing countries, agriculture is the primary source of income in Sri Lanka. The agricultural sector in the country was already fragile and vulnerable to shocks and stresses, such as climate change, market failure, and pest and disease occurrences. As such, the agricultural sector in Sri Lanka is argued to be more exposed to the pandemic.

Therefore, this study explored the perceptions of fruit and vegetable farmers on how the COVID-19 pandemic has impacted the different aspects of farming (i.e., production, market, human resources, farmer livelihood, and agricultural policy). Moreover, the study investigated the different mitigation strategies the fruit and vegetable farmers adopted to overcome the COVID-19-related issues they faced. The results of this study can help to understand the impacts of COVID-19 on fruit and vegetable farmers and explore mitigating strategies taken to minimize the impact on farming and rebuild the system.

METHODOLOGY

This study was conducted with a randomly selected sample of 100 fruit and vegetable farmers in the Galle district. A pilot survey was conducted (n=10) to validate the questionnaire. The main survey was conducted from February to March 2022. Data were collected via face-to-face administering of the questionnaire and telephonic conversations. The questionnaire consisted of four main categories; 1) Farmers' personal information, 2) Farming details, 3) Impact of COVID-19, and 4) impact mitigation strategies. COVID-19 impact statements (n=25) and mitigation strategies (n=15) were measured on a five-point Likert-Scale. Data were also gathered on four farm outcome variables (i.e., the number of employees, the extent of cultivation, income per season, and yield per season) to examine whether there is any significant difference between before (i.e. in the year 2018) and after COVID-19 (i.e. in the year 2021) situations.

The data were analyzed using descriptive and inferential statistics via the software IBM SPSS version 25. A Paired sample T-test was performed to investigate whether the farm outcomes were significantly different between “before” and “after” COVID-19 situations. Reliability analysis was also carried out to ensure the internal consistency of the Likert Scale data, COVID-19 impact, and mitigation strategies. Cronbach’s alpha which ranges from 0 to 1, was used as the measure of reliability (Hair *et al.*, 2014). The alpha values of Likert-scale items used in this study were within this suitability range and deemed acceptable. The study identified five main areas of farming affected by the COVID-19 pandemic, including; production (PR), marketing (MR), human resources (HR), farmer livelihood (FL), and policy and regulatory changes (PL). The mean values of the scores provided by the respondents were calculated to examine the degree to which farming is affected by the pandemic in these five areas. Lastly, a Principal Component Analysis (PCA) was employed to analyze the data on impact mitigation strategies. The outcome of PCA also helps to explore relationships among variables and see if a smaller number of underlying constructs can explain the pattern of results. According to the guidelines given by Hair *et al.* (2014), for a sample of 100 respondents, component loadings of 0.5 and above are considered significant.

RESULTS AND DISCUSSION

Most respondents were male (69%), and the most significant proportion (60%) were in the 46-65 age group. Considering the level of education, the highest percentage (42%) of farmers were educated up to G.C.E. Ordinary Level. Only 6% of the farmers were educated to a degree or diploma level. 51% of the sample involved part-time farming. The majority of the farmers (63%) only had 1 to 5 years of farming experience. In the sample, the majority of farmers cultivated vegetables only (52%). Among the farmers, 19% farmers only cultivated fruits while 29% cultivated both fruits and vegetables.

Table 1 Results of paired t-test

Farm outcome	Mean	Probability
No. of employees	0.440	0.000*
Extent of cultivation	0.190	0.000*
Income per season	11105.0	0.000*
Yield per season	8.030	0.000*

Note: *significant at 0.05 confidence level

According to the paired T-test results, all four outcome variables resulted in a probability value of 0.000, which is less than the 0.05 significance level. This indicates that the mean differences between these four outcome variables are statistically significant. It can be explained that compared to the “before” COVID-19 period, the number of people employed in these farms, the extent cultivated, income, and yield per season have significantly changed in the “after” COVID-19 period. During the analysis, the scores were averaged to calculate the mean values for each factor. Accordingly, political and agricultural policy changes recorded the highest overall mean value (3.866) out of the five main impact areas, while human resources recorded the lowest overall mean (3.278). Out of all 25 factors, the closure of local food markets (4.47) and imposing lockdown periods (4.46) recorded the highest mean scores.

Table 2 Mean values of COVID-19 impact areas

Area of impact	Mean
Production	3.778
Availability to inputs	3.970
Changing cultivating land area	3.060
Changing the quantity of yield in the harvest season	4.310
Changing prices of inputs	4.230
Changes in planting patterns	3.320
Market	3.720
Customer availability	3.790
Changes in buying power	3.290
Difficulties to reach the customers	4.000
Postharvest losses	3.510
Changing output prices	4.010
Human resources	3.278
On-time wage payment	2.970
Workers infected with COVID-19	2.530
Labour shortage	3.760
Changes in working labour hours	3.900
Going to new jobs instead of farming	3.230
Farmer livelihood	3.468
The health of family members	3.090
Changes household income	4.070
Impact of quarantine periods	3.440
Use of social services during the COVID-19 period	3.430
Subsidies/ financial support given by the government	3.310
Policy and regulatory changes	3.866
Travel restrictions	3.980
Implementation of lockdown period	4.460
Import and trade restrictions	3.370
Closure of local food markets	4.470
Changes in inflation rate	3.050

Farmers were affected by the breakdown of the food supply chain due to imposing lockdowns and movement restrictions. Apart from the policy and regulatory changes, farm production is highly affected by the pandemic. Farmers were severely affected by the rising prices of raw materials, including inorganic fertilizer, pesticides, weedicides, and high-yielding seeds and planting materials. As the COVID-19 pandemic created an economic crisis, the government implemented several import restrictions, including inorganic fertilizer and agrochemicals. As a result of these import restrictions, the price of the raw material increased uncontrollably. Hence, they scored lower for the import and trade restrictions (3.37) but highly on changes in the prices of inputs (4.23). Under the market-related areas affected by the pandemic, farmers reported difficulties changing output prices (4.01) and reaching customers (4.00).

Farmer livelihood is another central area affected by the COVID-19 pandemic. Changes in household income (4.07) are one of these fruit and vegetable farmers' main concerns during the pandemic. The health of family members is critical for these farm families as most provide

free labour for their cultivation. If they have hired any labourers before the COVID-19 period, the number of them has drastically reduced after the COVID-19 period. Therefore, human resources are the least affected area of farming by the COVID-19 crisis. The varimax rotated principal component analysis was performed to adopt impact mitigation strategies, and five components were extracted. These five principal components were generated with an eigenvalue more significant than one. The five components cumulatively explained 50% of the variance in the data. PC1 identified positive loadings of four strategies; integrated farming management, getting support from family members, improving the number of planting cycles, and applying for bank loans have identified production-related strategies for mitigation. Moving to direct marketing and diversifying to other businesses for extra income have identified adaptations for the agricultural policy changes for the PC2. The PC3 identified positive loadings of two strategies; allocating separate days for workers instead of working every day and changing the type of vegetable/fruit cultivated, identified for the adaptations for operational changes. Taking measures to ensure the health and safety of workers and improving the recruitment of workers are identified as impact mitigation strategies for human resource-related issues for PC4. The PC5 identified favourable loading for modern marketing channels. It is an impact mitigation strategy identified to mitigate related to traditional marketing approaches.

Table 3 Rotated component matrix for impact mitigation strategies

Statement	PC1	PC2	PC3	PC4	PC5
Integrated farming management	0.70				
Get support from family members	0.63				
Improved number of planting cycles	0.58				
Apply for bank loans	0.41				
Moving to direct marketing		0.52			
Diversifying to other businesses for earning extra income		0.67			
Allocating separate days for workers instead of working every day			0.67		
Changing the type of vegetable/fruit cultivated			0.66		
Take measures to ensure the health and safety of workers				0.83	
Improve the recruitment of workers				0.55	
Using modern marketing channels					0.69
Cumulative variance	12.0	23.0	33.0	41.7	49.9
Eigenvalues	1.791	1.658	1.493	1.306	1.23

CONCLUSIONS AND IMPLICATIONS

This study explored the impacts of the COVID-19 pandemic on the farming and livelihood of fruit and vegetable farmers. Policy and regulatory changes were identified as the most affected farming area, while human resources were identified as the least affected area. The paired t-test considered four factors; the number of employees, land extent of cultivation, income, and yield per season. All four outcome variables recorded significant differences after the COVID-19 period from the before COVID-19 period. This indicates the considerable impact of

COVID-19 on fruit and vegetable farmers. Most of the farmers reported issues related to inputs' prices, decreasing consumers' availability, closure of food markets, transportation problems during the COVID-19 period, etc. The principal component analysis extracted five principal components and summarized the impact mitigation strategies for the COVID-19 pandemic. PC1 identified strategies for production-related, PC2 extracted responses for agricultural policy changes, PC3 identified operational changes, PC4 extracted strategies for human resources, and PC5 identified strategies for new marketing methods to mitigate the impacts of COVID-19. Results of the study discovered that most of the farmers in the Galle district had faced challenges and difficulties during the past COVID-19 outbreak. Therefore relevant authorities should encourage by giving them special attention and incentives to rebuild a better marketplace for fruit and vegetable farmers.

Keywords: COVID-19 pandemic, fruit and vegetable farmers, impact mitigation

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IMPACT OF ENTREPRENEURIAL KNOWLEDGE ON STRATEGIC ORIENTATION OF SMALL AND MEDIUM ENTERPRISES IN RATNAPURA DISTRICT

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INTRODUCTION

Small and Medium Scale Enterprises (SMEs) are an important strategic sector for generating economic growth and reducing unemployment, inequality, and poverty. Therefore, SMEs are a significant economic asset (Pushpakumari, 2014). Entrepreneurial and strategic management perspectives jointly explain the strategic orientation needed to achieve and sustain competitive advantages Esteve et al. (2008). Generally, strategic decisions are influenced by the strategist Covin et al.'s beliefs, values, and management philosophies (2006). According to Ahamadian (2018), learning can develop new knowledge or insights that have the potential to influence behaviour through values and beliefs within the culture of an organization. Further, management styles and behaviours are well determined by the level of formal education, which represents an individual's knowledge and skill base Donald et al. (1984).

SMEs are considered the backbone of the economy, contributing nearly 52% to the Sri Lankan GDP. Further, SMEs account for approximately 97% of all industries in Sri Lanka, and employment in Sri Lanka is contributed by 45% by SMEs. Although, SMEs are facing critical issues regarding whether they are essential in developing countries' economies. Lack of easy finance and credit instruments, limiting regulatory policies, Unavailability of modern, affordable technology, lack of basic infrastructure facilities, absence of exclusive marketing platforms and distribution networks and inflexible labour laws and availability of affordable skilled labour are the identified issues that are facing by the SMEs (Fayolle, 2013).

Since both males and females exhibit a low level of entrepreneurship knowledge, females are more aware of their deficiencies in this knowledge area than their male counterparts. Both sexes believe that further education can correct the knowledge problem (Kourilsky & Walstad, 1998). According to the Census and Statistical Department Annual Report (2018), employment status by gender also reflected that participation (10.2%) of females in the employer category is significantly lower than male participation (89.8%). Similarly, participation of the female in their account worker category is about 36.6% compared to male participation of about 74.5%. Further, when considering the situation of Sri Lanka, nearly 52% of the population is female. It is represented more than half of the Sri Lankan population. Although only 34% of the labour force is female, 74% of the inactive population compared to the participation (73%), is male. It reflects that there is an untapped workforce within the country since women have the opportunity to attract jobs or an entrepreneur by starting businesses, especially in the SME sector. Nevertheless, active participation of the women in the employer category is about 6% of the total employed population in Sri Lanka compared to the males (CBSL, 2018). Hence, this study's priority is to identify the level of

Entrepreneurial Knowledge and strategic orientation based on gender. Further, this will investigate whether there is an effect on strategic orientation by Entrepreneurial Knowledge to engage in the SME sector based on gender in Ratnapura District.

METHODOLOGY

This research mainly consists of one independent variable, Entrepreneurial Knowledge, with four dimensions: Business General Knowledge, Venture General Knowledge, Opportunity Specific Knowledge, and Venture Specific Knowledge. The dependent variable is namely Strategic Orientation with six dimensions known as Aggressiveness, Analysis, Defensiveness, Futurity, Pro-activeness, and Riskiness. This study's population was identified as all Owner Managers in Ratnapura District, and approximately 6493 Owner Managers are in the area. The sample was chosen through Random sampling, and the following equation was used to calculate the sample size.

$$n = \frac{N}{1 + Ne^2} = \frac{6493}{1 + 6493 * (0.05)^2} = 376$$

A total number of 376 Owner Managers was selected, and a structured questionnaire with five five-point Likert scales was used to collect data. Univariate, Bivariate analysis, and independent sample t-tests were used to analyse data. Cronbach's alpha for reliability test, frequency, and descriptive analysis tools, and Pearson coefficient correlation were used to hypothesize the questions. The data were analyzed using SPSS Version 22.

Table 1 Objective-wise Method of Analysis

No	Objectives	Method of analysis
1	To identify the relationship between Entrepreneurial Knowledge and strategic orientation of SME owners in Ratnapura District.	Correlation Analysis
2	To identify the Business General Knowledge impact on Strategic Orientation of SMEs owners in Ratnapura District.	Regression Analysis
3	To identify the Venture General Knowledge impact on Strategic Orientation of SMEs owners in Ratnapura District.	Regression Analysis
4	To identify the Knowledge Opportunity Specific impact on Strategic Orientation of SMEs owners in Ratnapura District.	Regression Analysis
5	To identify Venture Specific Knowledge impact on Strategic Orientation of SMEs owners in Ratnapura District.	Regression Analysis

RESULTS AND DISCUSSION

The reliability of the instrument was measured using Cronbach's Alpha analysis. It measures the instrument's internal consistency based on the average inter-item correlation. All the Cronbach α value above 0.7 indicates an acceptable internal consistency of the scale (Sekaran & Bougie, 2016).

Table 2 Reliability Analysis for Overall Variables

Variable	Alpha Value	Number of Items
Entrepreneurial Knowledge	0.943	19
Business General Knowledge	0.904	07
Venture General Knowledge	0.749	06
Opportunity Specific Knowledge	0.788	03
Venture Specific Knowledge	0.711	03
Strategic Orientation	0.923	21
Aggressiveness	0.702	02
Analysis	0.773	04
Defensiveness	0.741	04
Futurity	0.704	04
Pro-Activeness	0.702	02
Riskiness	0.719	05

Descriptive analysis was used to analyze the demographic data. The personal information questions are related to respondents' necessary personal details such as Type of Business, Gender, and Age. The following tables show the employee's personal information.

Table 3 Type of Business

Type of Business	Frequency	Percent
Retail Business	190	50.5
Food And Beverage	120	31.9
Textile	30	8.0
Others	36	9.6
Total	376	100.0

Table 3 shows that the majority of the sample are represented by the business type Retail Business, and it is 50.5% (190) and Food and Beverage 31.9% (120) and Textile 8.0% (30) and 9.6% (36) are other business.

Table 4 Gender of the respondents

Gender	Frequency	Percent
Male	257	68.4
Female	119	31.6
Total	376	100.0

The gender of the respondents of the sample was categorized as Male and Female. According to table 4, out of 376 total respondents, 257(68.4%) and 119 (31.6%) are Male and Female, respectively. Male percent were higher among the 376 respondents of Owner Managers.

Table 5 Age of the respondents

Age Group	Frequency	Percent
Below 25 years	88	23.4
25-35 Years	149	39.6
36-45 Years	74	19.7
Above 45 Years	65	17.3
Total	376	100.0

Table 5 shows that the age limit between 25-35 years represents the majority of the sample and is 39.6% (149), and between the age limit of 36-45 years, it is 19.7% (74) and 23.4% (88) are below 25 years, and 17.3% (65) are above 45 years. According to Table 6, the descriptive analysis results, the mean value of EK was 4.07, and SD was 0.615. Based on decision criteria. The average value of EK was in the range of $3.5 \leq X \leq 5$ (X denote mean value). It indicates there is a **High level** of EK. It is based on the result, concluding that the Owner's attention to Entrepreneurial Knowledge is excellent. The dimensions of EK also have a high level. BGK (Mean=4.09, SD=0.721), VGK (Mean=4.05, SD=0.528), VSP (Mean=4.07, SD=0.670) and OSK (Mean=4.08, SD=0.749).

Table 6 Mean /Standard Deviation of Entrepreneurial Knowledge and its Dimension and Indicators

Dimensions/Variable	Mean	Standard Deviation	Level
Entrepreneurial Knowledge	4.07	0.615	High
Business General Knowledge	4.09	0.721	High
Venture General Knowledge	4.05	0.528	High
Venture Specific Knowledge	4.07	0.670	High
Opportunity Specific Knowledge	4.08	0.749	High

Table 7 Mean /Standard Deviation of Strategic Orientation and its Dimensions

Indicators/Dimensions/Variables	Mean	Standard Deviation	Level
Strategic Orientation	4.14	0.514	High
Aggressiveness	4.01	0.810	High
Analysis	4.18	0.630	High
Defensiveness	4.27	0.538	High
Futurity	4.04	0.612	High

Pro-activeness	4.01	0.793	High
Riskiness	4.18	0.549	High

Table 7 shows the mean and SD of overall SO. The mean value of SO was 4.14, and SD was 0.514. The SD shows that, on average, the individual responses of 0.514-point deviate from the mean. These mean values fall into the range of $3.5 < X \leq 5$. Finally, the researcher can conclude that SO has a high level overall. The dimensions of SO also have a high level.

The researcher identified that the relationship between employees' EK and SO is based on the r value. The correlation coefficient (r) value was 0.871 at the 0.01 significance level. P value was less than 0.05, and the correlation coefficient value falls under the coefficient range of ± 0.7 to ± 0.9 . Therefore, it indicates a Positive high relationship between EK and SO. As indicated by R^2 , 68.9 % variation in SO is explained by BGK at the 0.05 significant levels. The constant was 1.719. It explains the level of SO at the zero level of BGK. The b value of BGK was 0.592. It shows that an average increase of one point of BGK scale SO will increase by 0.592. P value is less than 0.05. Therefore, BGK has an impact on SO.

Table 8 Model Summary of Simple Regression between General Knowledge and Strategic Orientation.

Model	R	R ²	Adjusted R ²	Std. Error
1	0.830 ^a	0.689	0.689	0.287

a. Predictors: (Constant), Business General Knowledge

As indicated by R Square, 56.6 % variation in SO is explained by VGK at the 0.05 significant levels. The constant was 1.385. It explains the level of SO at the zero level of VGK. The b value of VGK was 0.681. It shows the mean that an average increase of one point of VGK scale SO will increase by 0.681. P value is less than 0.05. Therefore, VGK has an impact on SO.

Table 9 Model Summary of Simple Regression between Venture General Knowledge and Strategic Orientation

Model	R	R ²	Adjusted R ²	Std. Error
1	0.752 ^a	0.566	0.565	0.339

a. Predictors: (Constant), Venture General Knowledge

As indicated by R Square, 66.7 % variation in SO is explained by OSK at the 0.05 significant levels. The constant was 1.854. It explains the level of SO at the zero level of OSK. The b value of OSK was 0.561. It shows the mean that an average increase of one point of OSK scale SO will increase by 0.561. P value is less than 0.05. Therefore, OSK has an impact on SO.

Table 10 Model Summary of Simple Regression between Opportunity Specific Knowledge and Strategic Orientation

Model	R	R ²	Adjusted R ²	Std. Error
1	0.817 ^a	0.667	0.666	0.297

a. Predictors: (Constant), OSK

As indicated by R Square, 62.8 % variation in SO is explained by VSK at the 0.05 significant levels. The constant was 1.667. It explains the level of SO at the zero level of VSK. The b value of VSK was 0.608. It shows that an average increase of one point of the VSK scale SO will increase by 0.608. P value is less than 0.05. Therefore, VSK has an impact on SO.

Table 11 Model Summary of Simple Regression between Venture Specific Knowledge and Strategic Orientation.

Model	R	R ²	Adjusted R ²	Std. Error
1	0.792a	0.628	0.627	0.31447

a. Predictors: (Constant), VSK

CONCLUSIONS AND IMPLICATIONS

The researcher's primary aim was to determine the impact of Entrepreneurial Knowledge on strategic orientation. To achieve that aim, the researcher selected Entrepreneurs in Ratnapura District. This research was conducted based on a sample study of 376 owners in the Ratnapura District. The researcher used descriptive, correlation, and regression analysis to achieve the research objective. The first objective of this survey is to explore the level of Entrepreneurial Knowledge and strategic orientation. According to the descriptive analysis results, the mean value of Entrepreneurial Knowledge is 4.07, and strategic orientation shows 4.14. Therefore, the decision rule indicates a high level of Entrepreneurial Knowledge and strategic orientation in Ratnapura District.

The second objective of the research was to explore the relationship between Entrepreneurial Knowledge and strategic orientation. Correlation analysis was used to achieve this objective. The researcher identified a high positive relationship ($r= 0.871$, $p< 0.05$) between Entrepreneurial Knowledge and strategic orientation. The third objective of the research was to examine the impact of Venture General Knowledge on strategic orientation. According to the study ($p>0.05$), there is a significant impact of Venture General Knowledge on strategic orientation. The fourth objective of the research was to examine the impact of Opportunity Specific Knowledge on strategic orientation. According to the study ($p>0.05$), there is a significant impact of Opportunity Specific Knowledge on strategic orientation.

The fifth objective of the research was to examine the impact of Venture Specific Knowledge on strategic orientation. According to the study ($p>0.05$), there is a significant impact of Venture Specific Knowledge on strategic orientation. Future researchers can research by adding new variables and expanding the context beyond the Rathnapura district.

Keywords: Entrepreneurial knowledge, SMEs, strategic orientation

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IMPACT OF THE COVID-19 PANDEMIC ON SMALL-SCALE FOOD PROCESSING FIRMS

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INTRODUCTION

The novel Coronavirus (COVID-19), which originated in the Wuhan province of China in December 2019, spread rapidly to all parts of the world (Erandi et al., 2020). Countries tried to manage the pandemic by imposing various health guidelines, such as regional and national lockdowns, travel restrictions, and keeping people in quarantine. Like many countries worldwide, with the onset of the crisis, economic growth rates in many South Asian developing countries showed a negative value (Raihan et al., 2020).

The real impact of the COVID-19 pandemic started in Sri Lanka around mid-March 2020. The food processing sector was hit hard by the threat of COVID-19, as they lost their income opportunity during the festive season of 2020 and 2021. The main problem faced by these enterprises was the breakdown of their supply chain due to the lockdown, curfew, and isolation of areas. Rising raw materials prices due to shortages have also affected some facing a financial crisis. In addition, delivery delays, unforeseen travel disruptions, and labor shortage problems were also reported (Raj et al., 2022). The severe spread of the virus has led to social relationship reduction, rising unemployment, income inequality, and declining remittances. The government enforced travel bans and regional lockdowns that blocked the movement of products and labour. The production and supply of raw materials had to be suspended due to challenges in dealing with COVID-19. Small businesses suffer most in times of crisis and are the least prepared of all types of business structures. Marketing innovations through promotion or pricing, alternative distribution channels, product redesign and the creation of new products, finding alternative suppliers, and business diversification are the most commonly adopted strategies (Raj et al., 2022). Due to its inherent small-scale nature and resource limitations, small businesses are at high risk for permanent closure after large-scale disasters partially because they cannot pay for their expenses while being shut down. Consumer consumption patterns have changed due to the lockdown and the nature of the Coronavirus.

With the spread of the Coronavirus, there is still a lack of research studies in Sri Lanka on the impact of the COVID-19 pandemic and its possible survival strategies. It is essential to identify the impacts and adopt effective survival strategies during times of crisis to demonstrate strong resilience. Therefore, this study aims to identify the heavily impacted areas of business by the pandemic and to explore the effective survival strategies adopted by small-scale food processing firms during the COVID-19 pandemic in Sri Lanka. Therefore, this study aims to identify the heavily impacted areas of business by the pandemic and to explore the effective survival strategies adopted by small-scale food processing firms during the COVID-19 pandemic in Sri Lanka.

METHODOLOGY

Data were collected by conducting face-to-face and telephone surveys from small-scale food processing firms in the Galle district. A simple random sampling technique was used to select the respondent firms. The survey was conducted from January to February 2022 using 100 small-scale food processing firms. Fifty-four responses were taken from face-to-face administration of the questionnaire, and 46 responses were obtained from telephone surveys. A self-designed questionnaire was used to collect data on the impact of COVID-19 and the survival strategies adopted. Five key areas were identified (supply-related, production-related, distribution-related, demand-related, and policy and regulatory-related). For each impact, a five-point Likert Scale ranged from “Strongly at all affected” to “Strongly affected,” giving a 1 to 5 value range to identify the impact level on the entrepreneur. The latter part of the questionnaire consisted of twenty-two survival strategies. For each survival strategy, a five-point Likert Scale was given to evaluate the agreement level for each strategy ranging from “Strongly disagree” to “Strongly agree,” giving a 1 to 5 value range to identify the agreement level for each strategy.

Data analyses were done using IBM SPSS statistical software version 25.0. Mean values were calculated to explore the gravity of five areas of impact; supply, production, distribution, demand, and policy and regulation changes. A T-test was done to examine the significant difference indicators related to COVID-19 impacts concerning the existence of primary income sources, several employees, and monthly income in before and after situations of COVID-19. Principal Component Analysis (PCA) with varimax rotation was used to summarize the survival strategies adopted by these small food processing firms into new categories. These categories were later assigned specific names.

RESULTS AND DISCUSSION

Most of the respondents were female (58%), and the majority of the sample was represented in the over 50 age group. Seventy-eight percent of respondents completed schooling up to Advanced Level (A/L). Most of the respondents had more than 15 years of experience in the food processing sector. The majority of the sample (55%) has not been infected with COVID-19, and 45% of entrepreneurs have been infected with COVID-19. Regarding the distribution of different firm types within the sample, the majority were represented by processed food manufacturing firms (66%) (Table 1).

Table 1 Sample profile

Parameter	Variable	Percentage (%)
Gender	Female	58.0
	Male	42.0
Age	20 – 30	3.0
	31-40	17.0
	41-50	31.0
	>50	49.0
Education Level	Primary Education	2.0
	Up to O/L	12.0
	Up to A/L	78.0

	Degree/Diploma	8.0
Experience (Years)	1-5	15.0
	6-10	29.0
	11-15	7.0
	>15	49.0
COVID-19 infection of the sample	Infected	45.0
	Not infected	55.0
Firm type	Processed food	66.0
	Spices	13.0
	Dairy Products	8.0
	Oil Products	5.0
	Fish Products	4.0
	Beverages	4.0

Out of the five main areas affected, changes in consumer demand recorded the highest overall mean scores indicating that changes in consumer demand are the most affected area of business for these food processing firms (Table 2). Out of all these impacts, the firms were affected mainly by the changes in the consumption pattern of their consumers (mean score of 4.49).

In terms of changes in production, these firms were highly affected by the price increments of raw materials (mean score of 4.40). However, as these small firms mainly function home-based with family members as employees, they were not affected by labour shortage due to lockdowns (mean score of 2.87). These small food businesses were also severely affected by the changing requirements of product and distribution safety and hygiene (Table 2). These firms were not highly affected by the import restrictions imposed by the government as most of these firms use locally produced raw materials for their production process (Table 2). According to the mean scores, trade relationship reduction (mean score of 4.08) was highly affected. The firms are least affected by the changes in policy and regulations, especially in terms of increasing interest rates and corruption. However, during the survey, it was also revealed that firm owners are not aware of the implications of policy changes as they could not see any direct impacts on their businesses.

Table 2 Mean comparison of COVID-19 impact statements

Area of impact	Mean
Changes in supply	
Raw material suppliers permanently get away from the supply	2.73
Import restrictions	2.76
Suppliers being infected/quarantined	3.48
Supply delays	3.87
Trade relationship reductions	4.08
Changes in production	
Unavailability of raw materials	3.88
Price increment of raw materials	4.40
Employees being infected/quarantined	3.13
Labour shortage due to lockdown	2.87
Strict attention of buyers to hygiene requirements	4.15
Production premises layout	2.52
Delaying machine maintenance	2.38
Changes in distribution	

Lockdown periods	4.45
Closure of distribution channels	4.08
Distribution route/destinations changes	3.36
Need for high safety measures	4.22
Changes in demand	
Customer income	4.16
Consumer consumption patterns	4.49
Customers' attitudes toward COVID-19	4.00
Price changes in food items	4.33
Demand for home delivery methods	3.39
Changes in policy and regulations	
Inflation rate changes	3.43
Changes in interest rates	2.61
Economic policy changes	3.50
Trade/import restrictions	3.93
Increasing levels of corruption	2.82

According to the paired t-test, all outcome variables resulted in a probability value of 0.000, which is less than the 0.05 significance level. This indicates that the mean differences between these three outcome variables are statistically significant. It can be explained that in comparison to the “before” COVID-19 period, the existence of primary income sources, number of employees, and monthly income have significantly changed in the “after” COVID-19 period (Table 3).

Table 3 Results of paired t-test

Firm outcome	Mean	Probability
Existence of main income sources before COVID-19	0.63	0.000*
Existence of main income sources after COVID-19	0.44	
Number of employees before COVID-19	2.26	0.000*
Number of employees after COVID-19	1.73	
Monthly income before COVID-19	71090.0	0.000*
Monthly income after COVID-19	51850.0	

*Significant at 0.05 level

According to the Principal Component Analysis (PCA), five strategies were extracted under component one, representing the survival strategies for “distribution and production.” Component two consisted of three strategies representing “new marketing methods.” Three strategies were loaded on component three, which represents “human resources-related” strategies, while component four was loaded with two strategies that represent the “operational changes.” Component five consisted of two strategies representing “suppliers-buyers agreements-related” strategies (Table 4). As overall survival strategies, food processing firms mainly consider the strategies for distribution and production, new marketing methods, human resource-related adaptations, operational changes, and suppliers and buyers-related adaptations.

Table 4 Rotated component matrix for survival strategies

Survival Strategy	1	2	3	4	5
Increase the safety measures of distributors	0.802				
Following the safety measures in production	0.727				
Diversification of distribution channels	0.691				
Product diversification	0.652				
Avoiding overpopulated destinations	0.474				
Adopting new online marketing systems		0.875			
Using social media to contact suppliers/new suppliers		0.844			
Using home delivery methods		0.568			
Employee reduction			0.783		
Employee salary reduction			0.710		
Provide subsidies for COVID-19 infected employees			0.607		
Implementing work from home for office staff				0.826	
Layout changes in production premises				0.777	
Finding suppliers in areas close to the production premises					0.808
Getting into agreements with buyers to maintain continuous sales					0.540
Variance (%)	14.225	10.419	9.619	7.343	7.338
Eigenvalues	3.646	2.688	1.927	1.608	1.559

Note: 1- Distribution and production, 2- New methods of marketing, 3- Human resource management, 4- Operational changes, 5- Supplier-buyer agreements

CONCLUSIONS AND IMPLICATIONS

The final output of the analysis emphasizes that the pandemic has affected supply, production, distribution, demand, and policy-related factors. Among these areas, consumer demand is strongly affected, while the firms are least affected by the policy and regulatory changes. Most of the samples have not been infected with COVID-19 directly but were affected by the supply chain disruptions. The pandemic affected consumer behaviour and habits because of the restrictions and long periods of lockdowns that prevented people from carrying out their daily lives. Consumers tend to prepare their meals, have food at home, and avoid going outside for necessities. The COVID-19 pandemic affected the income sources, employees, and monthly income reduction of the business. With the growing demand, most small-scale food processing firms adapted to an online-based marketing system.

Keywords: COVID-19 pandemic, food processing firms, small businesses, survival strategies

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**IMPACT OF WORKING CAPITAL MANAGEMENT PRACTICES ON
PERFORMANCE OF SMALL AND MEDIUM-SIZED ENTERPRISES IN
BATTICALOA DISTRICT**

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INTRODUCTION

Small and medium-sized enterprises (SMEs) account for 90% of all establishments, making them a crucial segment of the nation's economy. According to the Department of Census and Statistics (2020), SMEs are responsible for 45% of the employment creation, and roughly one million enterprises in the nation employ 2.25 million people. The SME sector is categorized as micro, small, and medium enterprises (National Policy Framework for SME Development, 2016). In Sri Lanka, SMEs play a vital role in the country's socio-economic aspects and are considered the backbone of the economy. In Sri Lanka, SMEs contribute significantly more toward economic growth than major corporations (Central Bank Report, 2018). SMEs tend to get more numerous over time in Sri Lanka. The Batticaloa District has also noticed an increase. The economy of the Batticaloa district is primarily dependent on agriculture and SMEs. However, the Batticaloa district's SME sector performance is ineffective for various reasons (Department of Census and Statistics, 2020). They are the inability to obtain financing, customer satisfaction, globalization, a lack of raw materials, skilled labour, and technological advancements during the early stages of SMEs. However, the absence of working capital management methods, widespread among SME owners throughout Sri Lanka and in the Batticaloa District, is the primary cause of SME ineptitude (Central Bank Report, 2018). Decisions about working capital management are regarded as some of the most crucial short-term choices in financial management. These choices are made about current assets and liabilities (Jamil, Mawih, & Shubiri, 2015). In light of this, working capital management prioritizes managing current assets and liabilities for businesses. Farrah, Noredi, and Othman (2016) reported that less efficiency could be seen in the selected SMEs regarding managing their working capital.

Further, they emphasized that ineffective asset utilization and short-term investment decreases result from improper working capital management. Therefore, inefficient working capital management could lead to the failure of SMEs. In Sri Lanka, the most of the studies on working capital management practices were about Western province SMEs and listed companies. As mentioned above, the Batticaloa district is considered to be dependent on SMEs and agriculture for their livelihood, and it can be seen that there is a shortage of studies on working capital management practices. Therefore, this study aimed to determine the impact of working capital management practices on the performance of SMEs in the Batticaloa district.

METHODOLOGY

The population consisted of registered SMEs in the Batticaloa district's Koralai Pattru West Divisional Secretariat. The total population of this division is 442 numbers of registered SMEs. 100 SMEs were selected as the study sample. The sample was segmented into homogeneous sub-groups based on the types of SMEs. A structured 5-point Likert-scale questionnaire was issued to gather primary data. Three proxies were used to measure working capital management. They are cash management practices (CMPs), inventory management practices (IMPs), and receivable management practices (RMPs). Descriptive and inferential statistics were used in this study.

A multiple regression model was used to examine the impact of working capital management practices on SMEs' performance.

$$\text{Performance} = \beta + B1\text{CMPs} + B2\text{IMP} + B3\text{RMP} \dots \dots \dots e$$

Hypotheses formulated for the study are mentioned below.

H₁: There is a significant impact of CMPs on the performances of SMEs.

H₂: There is a significant impact of IMPs on the performances of SMEs.

H₃: There is a significant impact on RMPs performances of SMEs.

RESULTS AND DISCUSSION

This section elaborates on the results and discussion of this study.

Table 1 Result of Reliability Test

Variable	Cronbach's Alpha
Working capital Management Practices	0.951
Cash management practices	0.986
Inventory management practices	0.901
Receivable management practices	0.998
Performance	0.976

The strength of the consistency was measured using Cronbach's alpha and found acceptable confirming the internal consistency reliability (Table 1). In the sample, a higher percentage (86%) of enterprises' owners were male, running the business, while females were only 14%. The sample includes four age groups: namely, below 30, between 30-40 years, 40-50, and above 50. The majority of respondents (34%) were between the age of 30 and 40. Moreover, the next highest level of respondents (30%) belonged to the age group of 40-50. Most respondents (30%) had studied up to the level of GCE O/L, and 26% of the respondents had studied GCE A/L. Moreover, 28% percent of the owners were below the GCE O/L qualification, and 16 % of the owners had qualified with either a diploma or a degree. From the data collected, it can be seen that 62% of enterprises were small-size enterprises, and 38 percent were medium size enterprises. Most were said to have been in operations as a small enterprise in the Batticaloa district.

Table 2: Result of Correlation Analysis

		Performance	CMPs	IMPs	RMPs
Performance	Pearson Correlation	1			
	Sig. (2-tailed)				
CMPs	Pearson Correlation	0.364**	1		
	Sig. (2-tailed)	0.000			
IMPs	Pearson Correlation	0.365**	0.563**	1	
	Sig. (2-tailed)	0.000	0.000		
RMPs	Pearson Correlation	0.733	0.321**	0.454**	1
	Sig. (2-tailed)	0.000	0.000	0.000	

According to Table 2, CMPs have a medium positive correlation of 0.364 and a p-value of 0.000, IMPs have a medium positive correlation of 0.365 and a p-value of 0.000, and RMPs have a strong positive correlation of 0.733 and a p-value of 0.000 with SMEs' performance respectively. This means that all the variables positively affect the SMEs' performance.

Table 3: Result of Regression Analysis

Model	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
Constant CMPs	0.835	0.638		1.309	0.194		
	-0.004	0.118	-0.002	-0.035	0.972	0.994	1.006
IMPs	0.670	0.065	0.718	10.345	0.000	0.995	1.005
RMPs	-0.116	0.061	-0.132	-1.909	0.059	0.996	1.004
R ² = 0.540		Adjusted R ² = 0.526		F = 37.562		P = 0.000	

Multiple regression analysis was used in this study to examine the impact of working capital management practices on the performance of SMEs. According to the results of the Model summary, R square (R²) is 0.540. The result showed that three working capital management practices explained 54 percent of the total variance in performance. The remaining 46 percent of the variability was not explained in this model. Value of F = 37.562, p < 0.05, depicted that the model was significant, which means regression results were accepted for this analysis. The decision rule is that if the P value is more significant than 0.05, accept the null hypothesis and if the P value is less than 0.05 reject the null hypothesis. Results show that IMPs significantly impact SME performance where the P value is 0.000, less than 0.05. CMPs and RMPs do not significantly impact SMEs' performance as the significance level are more significant than 0.05. Therefore, the multiple regression equation related to the study is;

$$\text{Performance} = 0.835 + 0.670\text{IMPs}$$

The unstandardized constant statistic 0.835 unit shows that the model would predict if all the independent variables were zero. The β coefficient for IMPs is 0.670. This means that if IMPs go up to 1 point on average, then SMEs' performance will improve by 0.670.

HYPOTHESES TESTING

H₁: There is a significant impact of CMPs on the performances of SMEs.

The null hypothesis has been accepted based on the P value and concluded that there is no significant impact of CMPs on the performances of SMEs in Batticaloa District.

H₂: There is a significant impact of IMPs on the performances of SMEs.

The null hypothesis was rejected based on the P value and concluded that there is a significant impact of IMPs on the performances of SMEs in Batticaloa District.

H₃: There is a significant impact on RMPs performances of SMEs.

The null hypothesis has been accepted based on the P value and concluded that there is no significant impact of RMPs on the performances of SMEs in Batticaloa District.

CONCLUSIONS AND IMPLICATIONS

The study examined the impact of working capital management practices on the performance of SMEs in Batticaloa District. CMPs, RMPs, and IMPs were considered proxies to measure the working capital management in the SMEs in the Batticaloa district. According to the results, the IMPs have a significant impact on SMEs' performance. Enterprise owners will benefit from the study as they can efficiently develop their business performance by employing working capital management practices. This study focuses on the SMEs in the Batticaloa district only. It will be benefited all if future studies are conducted by considering the SMEs in the whole of Sri Lanka. Moreover, other variables in the working capital management practices contribute to the improvement of the performance of SMEs. Therefore, future researchers can focus on other variables and their impact on the performance of SMEs.

Keywords: Cash management practices, inventory management practices, receivable management practices, SMEs

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READINESS OF SMEs FOR ADDRESSING THE SUSTAINABILITY CHALLENGES BY ESTABLISHING THE ENVIRONMENTAL MANAGEMENT SYSTEM: IN THE CASE OF THE SME SECTOR IN SRI LANKA

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INTRODUCTION

The Small and Medium Enterprise (SME) sector is the backbone of the economy because it empowers employment, alleviates poverty, improves output, export, and economic development in developed and developing countries. The small and medium enterprise sector (SMEs) is widely recognized as an important strategic sector for promoting economic growth and social development. It is the foremost driver of sustainable economic development in developed and developing countries (Prasanna et al., 2019). However, the involvement of SMEs in protecting and improving the environment is essential due to their manufacturing and marketing processes related to environmental issues (for energy efficiency, minimizing waste, and renewable energy). Additionally, the future contribution of SMEs to 'eco-efficiency' through innovation is expected to be significant.

The environmental management system (EMS) is a component of an organization's overall management structure that handles the immediate and long-term ecological effects of its products, services, and operations. It encompasses the organizational structure, planning activities, responsibilities, practices, procedures, processes, and resources necessary for designing, implementing, achieving, reviewing, and maintaining environmental standards and policy. According to Boiral and Sala (1998), the EMS provides an organization with a highly defined framework for developing its environmental strategy. The purpose of EMS is to integrate environmental considerations into management, serving as a guide for the company's compliance with current legislation and implementation of its environmental policy through continuous improvement. Junguitu and Allur (2019) emphasize that adopting a holistic approach to a business's environmental management entails realizing how an organization seeks to safeguard its environment is as critical as its goals.

EMS is considered a strategic sustainability management tool for small and medium-sized businesses. Many SMEs lack a formalized environmental management system (EMS) or policy (ECAP, 2011). Hillary (1999) believes SMEs are also less likely to adopt EMS due to resource constraints, perceived lack of compensatory mechanisms, and confusion or ambiguity over the implementation process. SMEs gain in various ways from the deployment of a structured EMS. According to Ferenhof et al. (2014), EMS implementation enables innovation through enhanced internal processes and procedures and subsequent (short- and long-term) performance. Thus, EMS brings economic and environmental concerns together. Further, the authors suggest that EMS enables SMEs to demonstrate compliance with or a commitment to environmental improvement in a particular setting by stimulating the control

of environmental hazards. To this aim, Hillary (1999) notes that formal EMS can result in internal (organizational, financial, and human resource) as well as external (commercial, environmental, and commitment) benefits.

According to Prasanna et al. (2019), sustainability challenges include the ability to adapt to social and economic changes, make efficient use of natural resources, conduct ethical and responsible business practices, provide high-quality products and services, and develop metrics to determine whether the firm is meeting stakeholder expectations. Further, this study defined sustainability as the ability of a business to succeed and exist in a dynamic competitive environment. The SMEs lack awareness of their environmental implications, knowledge of environmental legislation, and the capacity to address them. The further development of environmental management systems (such as EMAS or ISO 14001) will be critical in encouraging and promoting EMS use by small businesses. SME implementation of an environmental management system must design an environmental policy to represent its commitments.

Along with this, SMEs need effective identification of how the organization interacts with the environment and present possible environmental consequences to make the best management decision toward a sustainable organization. The EMS should identify the organization's applicable legal and other requirements linked with the environment. Establishing environmental objectives, targets and programs will contribute to the SME sector by monitoring and measuring the progress to meeting its objectives. When constructing an EMS in SME, it is necessary to have a person responsible for its coordination while monitoring the continuous improvement of the organization's environmental performance. Accordingly, the EMS procedure can be utilized to assess SMEs' readiness to overcome sustainability challenges.

In contrast to the readiness of SMEs, there is much less information for addressing its sustainability challenges by establishing EMS in the Sri Lankan context. Therefore, this investigation aims to explore the readiness of SMEs to address sustainability challenges by establishing the EMS.

METHODOLOGY

This is a comparative study which employed both the quantitative and qualitative approaches. The survey was conducted among the 462 SME owners. Further in-depth interviews were conducted among the 10 SME owners to understand SMEs' willingness to address sustainability challenges. The study used the purposive sampling methods for both the approaches. The interviews lasted about 50 minutes on average and were performed via face-to-face meetings and telephone conversations. Descriptive analysis was used to analyze the quantitative data, and thematic analysis was used to analyze the qualitative data.

RESULTS AND DISCUSSION

The findings are presented in five themes to assess the SMEs' readiness to address sustainability challenges by establishing an environmental management system. The organization is committed to practising ethical and ecological strategies. After transcribing and coding the data gathered from interviews with respondents, these thematic areas were

defined under environmental challenges: adapting to green techniques, reducing environmental pollution and resource degradation, adapting for waste management, and effectively utilizing resources. The environmental impact of business has been identified by 59.7% of SMEs to preserve the environment. Regarding the discussions undertaken with SMEs, it is evident that the environment has both negative and positive impacts on the business, as well as on the adaptation strategies of SMEs to address a variety of concerns and further, adapting to the environmental changes is required to manage an EMS in an organization effectively. As stated in the previous studies, the SME sector is administering an EMS system within the enterprise, as seen by the environmental management strategy adapting to operational and emergency procedures and alerting procedures.

Green techniques are vital in this sustainable domain, and consumers are more attentive to their purchasing in an environmentally friendly way. According to this study, it has been identified that green business techniques as a component of the organization's environmental management system. According to this study, SMEs have adapted to green business strategies in various contexts, such as green technologies, green packaging, and environmentally sustainable product. According to the quantitative findings, SMEs operate with a low environmental impact, as evidenced by that all the respondents stated that their business has a low environmental impact and that 82% of SME owners have strong beliefs in protecting the environment from business operations. According to the research findings, it is clear that the small and medium-sized enterprise (SME) sector strives to reduce environmental pollution and resource degradation while improving the product regularly, as confirmed by the study by Chavan (2005).

Waste management is essential to the SME sector since it contributes to sustainable development. This study has identified that current SMEs in Sri Lanka adopted some strategies for waste management. Packages of the product should be environmentally friendly. The production package accounts for over 70% of an organization's total waste (Vermier & Verbeke, 2004). As a result, SMEs have an effective waste management procedure to meet sustainability challenges. When SMEs manage the EMS, their effectiveness of managing the EMS is validated by using these types of processes. Fifty-eight percent of the respondents stated that their generated waste is not harmful to the environment, and 67 percent expressed that they do not release the wasted water to the environment.

The study's findings indicated that resource efficiency is critical for the SME sector to address sustainability challenges. Moreover, empirical results indicated that SMEs must efficiently use their resources. Accordingly, effective utilization of resources means planning the operations while ensuring that the available resources are used to their maximum potential. The SME interviewed recognized that they have policies to ensure that resources are used efficiently to address sustainable concerns. As a result, it may be argued that the SME sector requires efficient resource consumption to address sustainability challenges by adapting EMS as a policy.

CONCLUSIONS AND IMPLICATIONS

An environmental management system (EMS) is a suitable mechanism for minimizing the ecological consequences of an organization's operations. It is necessary to follow an organized strategy to develop and implement environmental protection measures. An EMS combines

environmental management into a company's everyday operations, long-term planning, and other quality management systems. Since the EMS appears as an effective tool to address environmental challenges, the willingness of SMEs to adapt to it is critical. Therefore, this study supports planning strategies in the SME sector across the EMS under the five themes. Important policy implications emerge from this study. Many SMEs lack a formalized environmental management system or policy (ECAP, 2011). Hillary (1999) expressed that SMEs are also less likely to adopt EMS due to the lack of resources, compensatory mechanisms, and ambiguity over the implementation process and its complexity. However, this study's analysis and findings revealed that SMEs are ready to operate EMS within the organization to face environmental challenges. Therefore, it is a need for higher government financial and technical support to spur the adoption of EMS certificates among SMEs. According to the findings of this study, SMEs in Sri Lanka have informally adopted and managed several components of the EMS, such as environmental policy, process, environmental impact identification, and environmental objectives. The use of a few components is still restricted. As a result, it is vital to provide SMEs with knowledge of the components of the EMS as well as management knowledge of the system.

Further, this study suggested that it is essential to introduce a simple EMS and understandable process as Hillary (1999) suggested, as EMS appears ambiguous over the implementation process and its complexity. Moreover, the study results indicated that more than 80 percent of the respondents could not manage the EMS in SMEs because of their lack of knowledge and awareness.

This study identifies some potential research directions for the future. For example, additional work is required to identify and understand the critical components relevant to the SME sector. When comparing quantitative and qualitative data, it is clear that the respondents in the quantitative study have strong beliefs about environmental preservation and are aware of environmental policies relevant to their firm, which is a significant finding. Future research might look at these five themes in greater depth to develop effective strategies for the broader entrepreneurial sector.

Keywords: EMS, SMEs, sustainability, sustainable challenges

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THE RELATIONSHIP BETWEEN THE SERVICE QUALITY AND THE CUSTOMER SATISFACTION IN THE PUBLIC BANKING SECTOR: THE CASE OF UVA PROVINCE

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INTRODUCTION

Banking plays a significant role here. It is essential to find out whether the service is pleasing to the customers due to the intense discomfort in their daily life of the customers. They hope the bank will give its customers high satisfaction because it will be easier for satisfied customers to switch when they get a better offer. It is a considerable investment in market research to identify service quality. Many banks today acknowledge the quality of service through the satisfaction of their clients. The term Service Quality is an association of two different words; service and quality. Service means “any activity or benefit that one party can offer to another that is essentially intangible and does not result in the ownership of anything.” Quality has become a strategic tool for attaining operational efficiency and better business performance (Ramya et al., 2019).

Banking services are essential in human being’s life. The banks have been undergoing operational difficulties owing to the ever-changing technology and expectations of the bank customers. As a result, to provide efficient customer services, banks have used technology as a tool to deliver financial services. The competition is increasing in the banking sector, and customer expectations toward banking services have also increased. Product variation is challenging in the dynamically changing banking sector, as most banks offer similar services. Hence, it becomes essential for banks to differentiate from other banks' service quality (Stamenkov & Dika, 2015) to enhance customer fulfilment. Therefore, this study is appealing and timely important. The findings of this study add new insights to the literature on service quality and customer satisfaction in the public banking sector in Sri Lanka. Moreover, the study findings would have significant implications for policymakers and practitioners in the banking industry in Sri Lanka.

METHODOLOGY

After reviewing the extant literature, the study developed the following conceptual framework (Figure 1), followed the deductive research principles, and adopted a quantitative research method. The study population was all the underwriting bank customers in Uva province. The sample was selected using the “Convenience” method using the non-probabilistic sampling method, which consisted of 200 customers. A structured questionnaire was used to collect the data and was pre-tested to ensure validity and reliability. Correlation analysis and multiple regression analysis were employed in the data analysis.

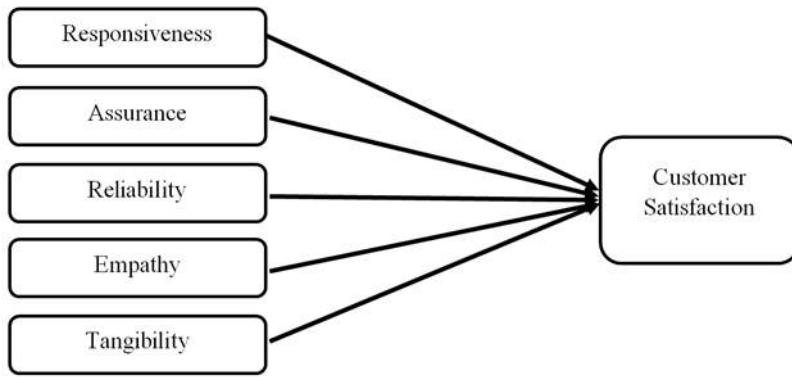


Figure 1 Conceptual Framework

Responsiveness and Customer Satisfaction: When banking staff is more responsive to customer needs, customer satisfaction increases (Anjalika & Priyanath, 2018).

H₁: There is a significant relationship between Responsiveness and Customer Satisfaction.

Assurance and Customer Satisfaction: Assurance can be defined as the ability of employees to deliver excellent service to the customer and, through that, help the company build trust and confidence for the service provided by the enterprise (El Saghier, 2015).

H₂: There is a significant relationship between Assurance and Customer Satisfaction.

Reliability and Customer Satisfaction: Reliability was determined by the accuracy of bank statements, on-time performance service, service delivery and service provision (Priyanath, 2018).

H₃: There is a significant relationship between Reliability and Customer Satisfaction.

Empathy and Customer Satisfaction: The essence of empathy is conveying through personalized or customised service that customers are unique and special and that their needs are understood (Morawakage & Kulathunga, 2013).

H₄: There is a significant relationship between Empathy and Customer Satisfaction.

Tangibility and Customer Satisfaction: It refers to the appearance of physical factors such as equipment and facilities used by a service company and service employees (Zeithaml, 2000).

H₅: There is a significant relationship between Tangibility and Customer Satisfaction.

RESULTS AND DISCUSSION

The sig values in the Table 1 were more significant than 0.05; the sample can be assumed as normally distributed. According to Table 1, all significant values of dependent and independent variables were more outstanding than 0.05. Therefore, the data of the selected sample was normally distributed.

Table 1 Test of Normality_Kolmogorov-Smirnov Test

Variable	Sig
Responsiveness	0.170
Assurance	0.176
Reliability	0.085
Empathy	0.144
Tangibility	0.144
Customer satisfaction	0.185

The VIF value exceeds 10, and tolerance values lower than 0.10 indicate potential multicollinearity problems. As per table 2, all tolerance values of independent variables are more significant than 0.10, and all VIF values are lower than 10.

Table 2 Test of Multicollinearity

Modal 01	Collinearity Statistics	
	Tolerance	VIF
Responsiveness	0.589	1.697
Assurance	0.852	1.174
Reliability	0.176	5.682
Empathy	0.491	2.035
Tangibility	0.151	6.635

Dependent Variable: Customer satisfaction

According to below Table 3, Cronbach's values of all dimensions of the dependent and independent variables are more significant than 0.7. Therefore, all variables are acceptable and highly reliable, and questions are internally consistent with the research study.

Table 3 Reliability of Study

Variable	Items	Crochbach Alpha	Result
Responsiveness	06	0.704	Good
Assurance	06	0.911	Very Good
Reliability	06	0.816	Good
Empathy	06	0.730	Acceptable
Tangibility	06	0.769	Acceptable
Customer Satisfaction	10	0.904	Very Good

According to Table 4, all mean values in the dependent and independent variables are 2 - 3. It shows that many of the respondents to the survey have given unsatisfactory answers to all the variables. Moreover, the Skewness of all variables lay between +1 and -1. That means the data are approximately normally distributed.

Table 4 Descriptive Statistics

	Mean	SD	Skewness
Responsiveness	2.15	0.577	0.654
Assurance	2.45	0.356	0.296
Reliability	2.68	0.720	-0.401
Empathy	2.38	0.533	0.518
Tangibility	2.93	0.602	0.040
Customer Satisfaction	2.45	0.524	0.370

Table 5 Correlation between Components of Service Quality and Customer Satisfaction

	Res	Ass	Rel	Emp	Tan	CS
Res Pearson Correlation	1.000					
Ass Pearson Correlation	0.341**	1.000				
Rel Pearson Correlation	0.388**	0.280**	1.000			
Emp Pearson Correlation	0.600**	0.289**	0.412**	1.000		
Tan Pearson Correlation	0.363**	0.238**	0.890**	0.560**	1.000	
CS Pearson Correlation	0.343**	0.319**	0.670**	0.653**	0.596**	1.000

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

Table 5 shows that the Pearson correlation coefficient of Responsiveness (3.43) and assurance (3.19) has a positive and weak relationship with customer satisfaction. Moreover, the significance values were 0.000, which was significant at 0.01. The reliability (0.670), empathy (0.653), and tangibility (0.596) have a positive and moderate relationship with customer satisfaction. As per Table 6 below, three independent variables were significant at the level of 0.05, and remain two were not significant at the level of 0.05. It can be concluded as Reliability, Empathy and Tangibility had a significant positive impact on customer satisfaction, and Assurance and Responsiveness control had not a significant impact on customer satisfaction.

Table 6 Multiple Regression Analysis

Multiple Regression Analysis						
Model		Unstandardized Coefficient		Standardized Coefficient	t	Sig.
		B	Std. Error	Beta		
1		Constant			3.422	0.000
	Res	0.791	0.231			
	Ass	0.026	0.049	0.029	0.539	0.591
	Rel	0.037	0.066	0.029	0.560	0.576
	Emp	0.660	0.072	0.907	9.195	0.000
	Tan	0.546	0.058	0.555	9.401	0.000
		0.468	0.093	0.538	5.048	0.000

a. Dependent Variable: Customer satisfaction

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4$$

$$Y = \alpha + 0.026X_1 + 0.037X_2 + 0.660X_3 + 0.546X_4 + 0.468X_5$$

In this study, five hypotheses were tested to identify the impact of independent variables on dependent variable and results of the correlation analysis and regression analysis can be summarized as follows.

Table 7 Summary of Hypothesis Testing

Hypothesis	Pearson Correlation	Multiple regression Analysis
Hypothesis 1: There is a Significant Relationship between Responsiveness and Customer Satisfaction.	Accepted 0.000	Not Supported 0.591
Hypothesis 2: There is a Significant Relationship between the Assurance and Customer Satisfaction.	Accepted 0.000	Not Supported 0.576
Hypothesis 3: There is a Significant Relationship between the Reliability and Customer Satisfaction.	Accepted 0.000	Supported 0.000
Hypothesis 4: There is a Significant Relationship between the Empathy and Customer Satisfaction.	Accepted 0.000	Supported 0.000
Hypothesis 5: There is a Significant Relationship between the Tangibility and Customer Satisfaction.	Accepted 0.000	Supported 0.000

CONCLUSIONS AND IMPLICATIONS

The main objectives of this research were to identify the service quality and customer satisfaction of the Public banks in the Uva Province. The results proved that these dimensions increase the trinity and lead to increased customer satisfaction. In the case of banks, customer satisfaction can increase in response to their employee behaviour, employee politeness, and employee knowledge and skills. Responsiveness should be very high to increase customer satisfaction in the banking sector. More over, the bank can provide prompt service, timely service, and prompt response to customer requests. In addition, the customers' reputation and the bank's loyalty should also a crucial points in bank customers satisfaction. This study has become a cross-sectional study. However, a prospective research would be more appropriate to determine the causal pathways of the variables studied, thereby providing a better understanding of how service quality perceptions relate to satisfaction and loyalty. Further inquiries in the future will examine customer satisfaction for service needs and requirements as well as specific customer types. This was an important way of market segmentation.

Keywords: Assurance, customer satisfaction, empathy, reliability, responsiveness, tangibility

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Human Resource Management

A STUDY ON THE EFFECTIVENESS OF HR POLICIES FOR DETERMINING EMPLOYEE'S JOB SATISFACTION

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INTRODUCTION

A significant challenge for human resource personnel has established a clear and definitive employee behaviour with the organization's policy. Human Resource Management employs people, develops their resources, utilizes, maintains, and compensation their services in tune with the job and organizational requirements to contribute to the goals of the organization, individual, and society. HR policies are mere guidelines to give direction to the possible ways for bringing about harmonious Industrial relationships in industrial and business organizations. There are various HRD policies and practices such as staffing planning, recruitment and selection, training and development, performance appraisal, career planning, compensation package, leave and travel and employee benefits, etc. (Jameson, 2000). How does the organization develop these HRD policies and practices within the framework of policies, perhaps, more important? The researcher will find the degree of coordination between policies and practices in providing employees with greater motivation and better performance.

These various policies increase motivation and review the employee's performance appraisal, which creates and maintains an excellent industrial relationship between employer and employees (Boxall, 1995). All the aspects then resulted in the development of the project report titled "A study of the effectiveness of Human Resource policy." It is strongly hoped that this project covers the various requirements and aspects that are essential for organizational development. Every organization has different approaches and policies of working. These policies may be taken from any sector; they may be big or small but have some rules and structure of working. Organizations are not mere bricks, mortar, or machinery; they are the people. It is the people who staff and manage organizations. HRM is a wide-ranging concept. It is the essential utility at the moment in any business or organization.

During the last decade, HRM has been adapting to various changes and improvements, and technology is among them, which has dramatically affected the HR department's working culture in organizations. The development of the Internet and other IT tools are boon to drive any organization to utilize its possibilities in doing business and improving performance. HR departments are forced to look for alternative paths to deliver HR practices to meet the increasing demands placed on the HR departments. These three demands, or pressures, are there to increase the strategic role of the HR departments with diversified behavior as the greater demand for flexibility, the pressure to be as efficient as possible and maintain the role as a service provider to managers and employees (Lepak & Snell, 1998).

To a great extent, HR decisions are locally configured by line managers who exert influence in the political processes leading up to specific decisions about the employment

terms of their employees, often in ways not contemplated in policy and unexpected by top management. Thus, managers act not only as agents of the organization but can exercise discretion in several ways as they pursue their objectives as managers of a business unit. How they exercise this discretion is an essential component of an HR system and will have implications on such outcomes as employee behaviors and attitudes, and organizational performance (Juan et al., 2020). HRM is involved in managing human resources with a focus on expanding the customer base that gives profit to the company. The company's bottom line is the focus of the HRM department and the function (Ahmad & Schroeder, 2003).

Organization performance is better in companies with congruency between national culture and human resources practice (Arthur, 1994). At the unit business level, where its manager consciously practices human resource policies following the country's value, the business unit's performance, i.e., returns on assets (ROA) and return on sales, is better, and the employee bonus is more significant. Newman and Nollen (1996), if the human resource management practices are not suitable for fundamental values shared by employees, it will cause employees to be dissatisfied, uncomfortable, and uncommitted. Accordingly, the significance of the study could be stated as HR policies ensure every employee of the organization looks after their needs respectively with proper benefits given to them for their work. They help to address employees' complaints, problems, and grievances, solve them appropriately, and protect employees from wrong behaviour from other employees or the organization itself. Scope of the study focuses that there is a significant perception of the HR policies are employment concerning recruitment, selection, and separation of employees that also helps in training and development to improve factors such as improve attitude and various methods of training with specific ways of promotion and compensate with using monetary and non-monetary factors.

METHODOLOGY

The present study explores employees' opinions regarding the service provided to them that reflects the HR policies influencing employees. Hence, it is descriptive. Descriptive research is defined as a research method that describes the characteristics of the population or phenomenon that is being studied. This methodology focuses more on the “what” of the research subject rather than the “why” of the research subject. A total number of 540 respondents were taken as a sample from the population. The sample was selected through the Census method. Data collection methods of the study were Primary data (i.e., questionnaires) and secondary data (i.e., books, internet, newspapers, resort magazine, and Website). Google form Questionnaire on Effectiveness of HR policies Methods of Data Analysis and Treatment: The analysis was done by SPSS software through average frequency and percentile distribution.

RESULTS AND DISCUSSION

Findings of the study indicated that 72% of respondents covered under the study are male who falls in the age group of 31- 40 years, have graduation as their educational qualification, are married, and have 2-5 years of experience in the organization. Further, 62% of respondents feel unsatisfactory regarding employee compensation which means employees are not satisfied with their organization's monetary benefits, employee assistance programs,

and development activities running for employees. 56% of respondents have common beliefs regarding employee welfare, which means that welfare facilities provided by the organization according to the statutory and non-statutory provisions are not satisfactory and up to the mark and affects the employee's productivity. 34% of respondents disagree with the performance appraisal carried out in the organization, which means that job evaluation and promotional schemes, allowances, incentives, and extra benefits provided to the employees are being moderately allocated to the employees as per the administrative regulations and policies. 78% of respondents have moderate beliefs regarding training and development programs of the organization, which means that organization moderately care about their employee's needs for assistance training for new equipment or system and provides moderately good training and development assistance to their employees before giving them any new task. 64% of respondents have moderately negative beliefs regarding HR policies as the employees lack faith in compensation policies and have the overall working scales that affect their work-life balances. Moreover, specific welfare policies used by the organization are not up to the mark to benefit all employees.

CONCLUSIONS AND IMPLICATIONS

As has been mentioned earlier, there are several factors that one has to consider while introducing new HR practices as, ultimately, it adds to the costs. Over the years, it has been observed that these costs are rising. At the same time, we cannot ignore the importance of retaining talented employees and arresting attrition as it involves high costs. Therefore, henceforth the HR Department's role will be very crucial. The researcher has identified vital areas the HR department should address in the immediate future. Stress Management: Day by day, there is an ever-increasing tension that the employees have to bear. Therefore, while designing the new HR practice, there should be an element that will ensure that the employees remain tension free. For this purpose, the organization will have to organize specific stress management courses continuously. Job Rotation: A job rotation system should enable the employee to acquire knowledge of other departments. The company also will be benefited since the workers are qualified to perform several jobs in an emergency. Due to changes in the job, the employee also gets job satisfaction. Job rotation relieves monotony. Provide autonomy: If a certain amount of freedom is given to the employees to do their work in their way, it increases their job satisfaction. It has been proved that if people are given the freedom to make their own decisions, they work hard and derive job satisfaction. Focus on personality development: The HR department should include in their training schedules programs that will help the employees' overall personality development. Employee Compensation: The compensation policies should be compared with other similar organizations to boost employee productivity; thus, the policies used there must be according to the satisfaction level of employees. Performance appraisal: The appraisal policies should be turned out without any biasness so that they may have more positive outcomes and deserving employees may get the chance to bring productive outcomes. Employee Welfare: The welfare schemes used under the organization must be much more positively framed as flexible working hours and proper medical aid giving proper hygiene facilities to women employees. Training and Development: The employees are delighted by the training facilities in the organization; thus, more professional training measures should be given under the organization so that personal development or personal boosts.

Keywords: HR policies, HRD policies, practices, organizational development

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CAREER DRIVERS AMONGST MANAGEMENT UNDERGRADUATES IN SRI LANKA: A STUDY OF DETERMINANTS

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INTRODUCTION

Career drivers amongst university undergraduates, which motivate them to make effective career decisions, have been an area of study attempted by business practitioners and scholars. In a modern competitive world in which the employability of undergraduates has been a crucial factor, understanding the students' perception of what drives them most in pursuing a career would be a beneficial requirement in Human Resource Management (Donald et al., 2018). Multiple factors contribute to undergraduates' career potential, career abilities, and career success. Similarly, the reasons that drive undergraduates to make their initial career choices would be necessary for recruiters, career counselors, and higher education institution authorities to determine frameworks for career adaptability, career development, and employability of students. Apart from gaining the essential knowledge, skills, and training needed for a particular employment, many other attributes could contribute to employee retention, such as attitudes, dispositions, and perceptions. When the driving factors in selecting careers are concerned, the most common prevalent factor is salary. However, observing the tendencies of the new generation of millennials, it could be noted that undergraduates of the recent generation do not aim only for a high income as a driving factor. A study by Donald et al. (2018) identified how undergraduates rated nature and environment of work, chances for progression, and level of challenges as satisfying attractive factors amongst many other career drivers. Career drivers are not actively chosen; they are influenced by a person's personality, skills, values, and self-perception. Career drivers are the "unseen hand that directs personal decision-making" Francis (1985, p. 46). Francis (1985) further pointed out that the relative relevance of different job motivations may shift as people go through substantial life changes. A study by De Magalhaes and Wilde (2015) classified career driver variables as intrinsic and extrinsic factors, in which the most important results were identified under the extrinsic category. Previous research findings revealed that personality, attitudes, and behaviors, could typically have an impact on what motivates someone to pursue a career (Dickmann & Cerdin, 2014). Students in Bundy and Norris's (2011) study selected job stability, fascinating work, the possibility of growth, and health insurance benefits as the factors that matter most when selecting a job. Thus, considering numerous factors, this research study examined the impact of independent variables of Autonomy, Job security, material rewards, and Parental and peer influence on career drivers. Heaton and Ackah (2007), as cited in Perera and Weerasinghe (2019), describe how modern career paradigms have drastically changed over time into "self-directed, value-driven and boundary-less careers" owing to many 'careers- environmental changes.' Given this boundary-less nature and modern perspectives, the past literature regarding career drivers must be revised. It is questionable to determine how a novel careerist would think and act when choosing a prominent career in a learned field. Watts (2006), as cited in Perera and Weerasinghe (2019), explained how undergraduates usually pursue a degree to enhance their employability, focusing on mere job security rather than considering

career interest or long-term career success factors. However, this notion of undergraduates seems to have noticeably changed recently. Not much research has been conducted sufficiently to explore these new dimensions of career drivers, especially in the Sri Lankan tertiary education context. The key objective of this research study was to identify significant determinants of career drivers among university undergraduates with particular reference to the management stream. As described, the scope of the study was limited to third and final-year management undergraduates of state universities. Management graduates have diverse options for selecting careers in many fields, and many organizations are available for potential careers compared to other disciplines. Hence this provides the rationale for the scope of the study. However, not being limited to a specific subject field under the management stream, taking undergraduates of mixed specializations for the study, and not being able to collect data from many faculties around the country have been identified as the limitations encountered in the study.

METHODOLOGY

Previous literature results were followed in determining variables for the research framework. Accordingly, four career driver factors; autonomy, job security, parental and peer influence, and rewards were chosen as independent variables against career drivers as the dependent variable. Since the aim of the study is to identify significant career drivers among management undergraduates, the following hypotheses were formulated based on the research framework as shown below:

- H₁: There is a significant impact of autonomy on career drivers
- H₂: There is a significant impact of job security on career drivers
- H₃: There is a significant impact of parental and peer influence on career drivers
- H₄: There is a significant impact of rewards on career drivers

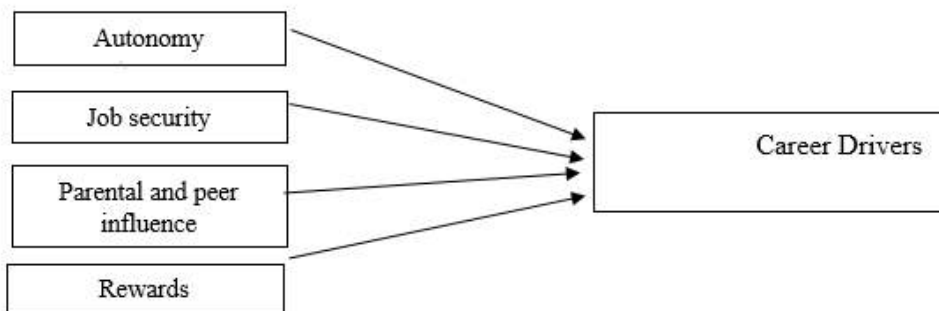


Figure 1 Conceptual Framework

In order to use a quantitative approach to primarily collect data for the research, a questionnaire was circulated among the participants (Saunders et al., 2009). This study was conducted considering third and final-year management undergraduates of two national universities in Sri Lanka. One hundred twenty participants (according to Morgan Table) were selected through a random sampling technique to record data from a large, unbiased representative sample. 63% of respondents were male, while 37% were female. Most responses were from students specializing in Marketing, whereas the minor ones were from those who majored in Accounting. The SPSS software was used to analyze data to derive

results statistically. The Cronbach test was used to verify the reliability of the measurements; the present study ensured reliability by exceeding the accepted threshold of Cronbach's alpha the 0.7. The study was conducted to test whether there are significant or positive factors that determine career drivers among management undergraduates. Hence Pearson correlation and regression analyses were utilized to test the relationship between independent and dependent variables. ANOVA model summary results were derived from testing the overall predictability and the effectiveness of the model used.

RESULTS AND DISCUSSION

The results were derived from the SPSS software to test the Pearson correlation coefficient to determine the degree of association between four independent variables with the dependent variable, Career drivers. Accordingly, the results indicated that students' autonomy positively influences career drivers. The independent variable, Rewards, also showed a positive relationship with career drivers with a significant value of less than 0.05. Job security, too, showed a positive impact on career drivers. Interestingly, parental and peer influence negatively affected students' career drivers.

Table 1 Coefficients

Model	Unstandardized coefficients		Standardized	T	Sig.
	B	Std.error	Coefficients		
(constant)	.643	.223		3.125	.001
Autonomy	.736	.156	.528	2.716	.003
Job Security	.441	.107	.423	3.046	.282
Parental & peer influence	-.542	.267	-.633	-1.35	.001
Rewards	.710	.137	.251	2.673	.104

As depicted in Table 1, Autonomy and Parental and Peer influence are found to demonstrate a statistically significant relationship with Career drivers with p-values less than 0.05. Moreover, the independent variables Job security and Rewards do not demonstrate a significant relationship with the dependent variable Career drivers, as the p-values exceeded 0.05 of the significance level.

Table 2 Model Summary

Model	R	R square	Adjusted R square	Std.error	Sig.F change
1	.732	.524	.512	.344	.000

Furthermore, the results of the model summary were also evaluated in which the obtained R-Square value was 0.524, which indicates how all four independent variables explained 52.4% of the variation of Career drivers of undergraduates. Furthermore, the F value of the model indicated a 34.065 value at a 5% significant level, thereby accepting the statistical significance of the overall model. This study revealed that students tend to value to entertain; their Autonomy and potential material rewards are powerful career drivers in making career decisions. The study found a significant positive impact on the association between Autonomy and rewards with Career drivers. The study's results proved hypotheses 1 and 4, which stated that there is a significant impact of Autonomy and rewards on career drivers. Hence, of the four independent variables used, Autonomy and rewards were proven to be the most

influencing career drivers among management undergraduates in Sri Lanka. Out of the other variables, Job security is also an essential factor in determining career drivers, as the results revealed a positive association. Furthermore, undergraduates seemed to show less impact on social influences from parents and peers when determining driving factors for pursuing careers. A study by Chia et al. (2008) supports the implications of this study. As per their study, out of nine drivers, Material Rewards ranked eighth (one before the last factor) for Accounting Students in Singapore, Australia, and Hong Kong. Sri Lanka remains in the Middle-Income category, and material rewards influence individual career decisions. The results of the study by Perera and Weerasinghe (2019) also match similar implications. In addition, it was found that one of the most significant value preferences in a materialistic society or culture, particularly the society in a developing country, is Material Rewards. When considering the Autonomy variable, this study's results matched the results from Perera and Weerasinghe (2019), who also found a significant impact on Career drivers. Fancis (1985), as cited in Perera and Weerasinghe (2019), defined Autonomy as "taking personal responsibility for the structure, processes, and objectives at work." The results imply that the current generation of undergraduates seeks independence when performing their job. Given the tendency of undergraduates to move into entrepreneurship and start their businesses, these results are evident in their way of thinking regarding career drivers from the previous generations of undergraduates who did not show substantial implications to value independence as a preferable factor when making career decisions. Hence the change in social and economic conditions and change in thinking patterns and tendencies of generations also seem to have impacted the results of this study. Past studies revealed that students rated Job security and Rewards while only a lower rate was scored for Autonomy. Chia et al. (2008) also corroborated the high job security rate as a career driver for accounting majored undergraduates during an economic recession. Hence, the impact of economic as well as political conditions of a country could also affect the career drivers and career-making decisions of undergraduates. This implication can be applied further to the Sri Lankan context, too, to predict students' potential career drivers and preferences.

CONCLUSIONS AND IMPLICATIONS

The study's objective was to identify significant determinants of career drivers among university undergraduates with particular reference to the management stream. Young undergraduates tend to consider social influence and expectations when deciding and to select their career paths. However, the results of this study revealed how the generation of existing undergraduates tend to focus more on their expectations as they seem to be aware of what they want, which further proves their ability in self-evaluation. Their decisions not being affected by social influences and showing high results on Autonomy as a significant driving factor further accentuate the undergraduate's perceptions of open-mindedness and free-thinking when deciding on career driving factors. Thus, it can be considered another positive direction and an exciting implication identified among the undergraduates through this research study. The results can be taken for career advisors and employers in making effective employee selection and consultation. The results could be especially beneficial for HRM practitioners as they can use them to be aware and make predictions about major factors affecting undergraduates' career drivers. Further, the information could be used to attract a potential pool of competent candidates and to effectively recruit the best talents of graduates for companies and firms. The organizations also can use the disseminated information to adjust the company values and culture to match the demands and requirements of the potential

graduate employees. They are enhancing the Autonomy in the culture to match the career drivers to attract and retain the best talents among graduate job seekers in one such practical implication to be exercised based on the results obtained from this study. Finally, the results of this study could be used for further enhancements in the university curriculum to make the programs more profession oriented in the university system and policymakers in Sri Lanka.

Keywords: Autonomy, career drivers, job security, parental and peer influence, rewards

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CHANGING WORKING DYNAMICS AND EFFECTIVE HUMAN RESOURCE PRACTICES FOR EMPLOYEE RETENTION IN INDIAN ORGANIZATIONS

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INTRODUCTION

The global company's holistic paradigm shift after the pandemic has opened new economic opportunities. Therefore, the management and nurturing of human resources have become a substantial base to respond to this emerging environment. After the pandemic, the required skill sets for the work required the right person for the required jobs. Employees during the pandemic time had to double-click on their capacity for learning. If they had found their muscles were a little weak in that domain, they had to learn how to learn it to explore the new avenue for the jobs. A person–job fit approach to meaningful work and employee retention consists of matching individual self-concept with job tasks and behaviours. The self-concept–of job fit is strongly related to meaningful work. The pandemic has become more strategically aligned with companies' values, missions, and visions. Employers had started to place increased levels of focus on the methods by which they can assess and improve the performance of an employee through initiatives such as equal employment opportunities and affirmative action policies. It has created a diverse workforce within which all employees feel appreciated and valued. Results from this paper will assist in developing influential HRM retention determinants for organizations. Employee retention is an essential strategic tool for corporations. It may improve employers' chances of selecting employees who will become committed to their organization and improve their ability to retain highly skilled and motivated employees. The objectives of the study are to study the relationship between HR practices and retention and to study the current human resource practices regarding the retention of employees in Indian organizations. HRM is a complex issue, and the theoretical model presented cannot represent this complex phenomenon because several extraneous, uncontrolled factors could influence the model variables (Arthur & Boyles, 2007).). The paper primarily concerns the retention management of employees in medium/large organizations. The data collected for the model to study intention to stay demonstrate motivated behaviour in terms of desire to remain in the organization were cross-sectional, so causality cannot be definitively determined. Moreover, the study is limited to information technology, infrastructure, higher education, manufacturing, logistics, and public sector industries. Hence, the results cannot be fully generalized due to the small number of companies. Change constantly occurs in the practice of HRM, it has been severely challenged due to a series of inexorable reforms. In contemplating the future prospects of HRM, it is worthwhile to examine the developments and directions of HR policies regarding their relevance to the modern workforce, especially in attracting and retaining employees (Evan, 2001). Employee retention is not an unexplored area. Many experts, authors, and researchers have examined, explored, and studied many aspects of this field. The review of the existing literature acknowledges that successful organizations share a fundamental philosophy of valuing and investing in their employees (Budhwar & Mellahi, 2007). Several studies also suggest that high-involvement work practices will enhance employee retention. Retention of employees can be a vital source

of competitive advantage for any organization (Samuel & Chipunza, 2009; Taylor, 2002). In addition, 'retention' and 'turnover' are strongly related to an organization's goodwill and reputation as a potential employee. Employee turnover continues to be among business leaders' most unappreciated and undervalued issues. Organizations now realize retention is a strategic issue and represents a competitive advantage. As the retention of talent with critical skill sets is acknowledged by organizations as vital for the achievement of business growth and the building of organizational competencies, some organizations strive to be the 'employer of choice' by creating a positive environment and offering challenging assignments that foster continued personal growth.

METHODOLOGY

The main objective of this study is to investigate and determine the influence of human resource practices on the retention of employees in Indian organizations. To successfully achieve this aim, this study involved in-depth interviews of human resource managers or representatives of Indian companies using a structured interview schedule, which incorporated a list of HRM best practices on retention. The preliminary instrument (Questionnaire) was developed following an extensive review of the literature on the relationship between retention and human resource practices. The questionnaire included sixty-six statements covering the factors under study. The criteria for the sample were set on the basis that the size of the organization and the years of the establishment at least they may have adequate human resource systems. Organizations were selected from infrastructure, logistics, IT and ITES, auto, education, retail, and manufacturing. This ensured a broad spectrum of industries.

RESULTS AND DISCUSSION

The analysis includes demographic profiles, means, standard deviation, construct validity and reliability, and the factor analysis and correlation analysis results. The sample was not severely skewed for this study, so no data transformation occurred. The demographic data of the respondents depicted the proportion of gender, age, length of service, and educational qualification of the participants, the different types of industry segments, and the different occupations of the participants. A total of six hundred (600) employees were approached for the survey, out of which 356 employees responded, of which seventy-three (73) percent were male and twenty-seven (27) percent were female. The respondents' occupations comprised 07 percent administrators, 07 percent HR, 08 percent engineers, 19 percent managers, 22 percent executives, 11 percent supervisors, 08 percent professors, and 18 percent belonged to the service category. The eleven independent variables are person-organization fit (selection), remuneration and recognition, Training and development, challenging assignments, performance management, leadership behavior, organizational policies & culture, teamwork relationship, communication, organizational loyalty, and pride; work environment was selected for the factor analyzed, i.e., principal components with varimax rotation. The data analysis includes analysis of the collected data by applying Pearson correlation coefficient on various determinants. The outcome and interpretation of the analyzed data show that the calculated value of 0.826 between age and experience shows a strong relationship. The factor of a strong retention relationship is shown only for one factor, commitment, as indicated by calculating a correlational value of 0.700. Retention has less significant or weak relations with other variables for other factors. For other factors of commitment and retention, the values are less significant. The factor commitment shows a weak and adverse relationship with variables

like experience, qualifications, industry, and occupation. The result of factor analysis supports the factorial independence of eight of the eleven constructs. The two dependent variables, organizational commitment and intention to stay (turnover intention), were also factor analyzed (varimax rotation) separately. As a result of the exploratory factor analysis, several items were deleted due to cross-loadings. Cross loadings of <0.30 were deleted as they were not considered adding to the measure, reducing the independent and dependent variables to ten factors. The ten factors included organizational fit (selection), remuneration and recognition, Training and career development, performance management, leadership behavior, organizational culture and policies, effective communication, working environment, organizational commitment, and intention to stay.

Table 1 shows Cronbach's alpha values for both independent and dependent variables. While the scales remuneration and recognition and Training & development in the study were found to be reliable ($\alpha \Rightarrow >0.7$) and all other scales were found to be good ($\alpha \Rightarrow >0.8$)

Table 1 Reliability test of instruments

Variables	No. of Items	Items dropped	Cronbach's Alpha
Organisational fit (Selection)	4	0	.851
Remuneration & Recognition	4	1	.788
Training & Career Development	3	0	.772
Performance Management	3	0	.837
Organisational Leadership	8	0	.920
Organisational Policies & Culture	9	0	.927
Communication	4	0	.929
Working Environment	4	0	.876
Organisational Commitment	8	3	.821
Intention to stay (Retention)	5	0	.858

Descriptive statistics are displayed in Table 2. The standard deviations of items of the scales of main study variables ranged from .971 to 1.748, suggesting that none of the measures were marked by excessive restrictions in range. It is important to note that three variables, challenging assignments, team relationships, and organizational loyalty, were removed from further analysis after the factor analysis outcome.

Table 2 Descriptive statistics of HRM variables

	Mean	Std.	Skewness	Kurtosis		
	Statistic	Deviation	Statistic	Std. Error	Statistic	Std. Error
Selection	21.28	4.255	-.735	.129	.098	.258
Remuneration	13.58	3.731	-.323	.129	-.510	.258
Training	14.17	3.750	-.358	.129	-.617	.258
Performance	13.12	3.804	-.451	.129	-.090	.258
Org leadership	40.49	8.830	-1.052	.129	1.357	.258
Org Policies & Culture	47.23	9.994	-1.000	.129	1.026	.258
Communication	20.23	5.339	-1.004	.129	.470	.258
Work Environment	20.67	4.774	-.600	.129	-.086	.258
Commitment	26.62	5.277	-1.173	.129	1.535	.258
Retention	25.44	6.441	-.783	.129	.176	.258

$N = 356$

CONCLUSIONS AND IMPLICATIONS

A hybrid work model depends on its employees' organizational requirements and overall productivity. However, the organization opted for these changing dynamics of shifting workspaces from physical to virtual settings, which leads to identifying some critical factors for employee retention; possesses skills, knowledge, and abilities that are relatively rare or irreplaceable to ensure the success of the organization, are central to the productivity and wellbeing of the organization, provides a competitive edge to the organization, supports the organizational culture and vision and are innovative and customer-focused. The findings of this paper revealed a significant positive co-relationship between certain factors and organisational commitment. These specific factors consisted of two bundles of practices: HR factors (person-organisational fit (selection), remuneration, reward and recognition, training and career development, performance management, and organisational factors (leadership behaviour, company culture and policies, effective communication, and good work environment). However, they require autonomy and opportunities to mentor so that they can make a more significant contribution to the organisation.

Keywords: Employees, human resource practices, organizations, retention

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EFFECT OF ENTREPRENEURIAL ORIENTATION ON THE MANUFACTURING SMEs PERFORMANCE IN RATHNAPURA DIVISION, SRI LANKA

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INTRODUCTION

The competition has been increasing day by day within the modern business world. This is due to the emergence of new businesses and the increase in the quality of goods and services produced by those businesses. Entrepreneurial Orientation (EO) is a firm-level strategic orientation. It is a strategic approach that captures an organization's strategy-making practices, managerial philosophies, and healthy behaviours within the current business industry. To compete with other organizations within the sector, EO provides a unique approach to the organization. Small and Medium-sized Enterprises (SMEs) play a significant role, and their contribution to the national economy in terms of wealth creates the number of people employed. The SME sector needs to accept the challenges, including the barriers, as they move towards successful adoption of market changes while raising awareness of relevant support activities and preserving limited available resources to avoid severe consequences from costly mistakes. EO provides a better guideline to do this effectively. There are a few reasons why it is critical to continue addressing the SMEs' EO and firm performance relationship. First, because entrepreneurship has traditionally been associated with a mercantile approach, economic models of entrepreneurship are based on the assumption that entrepreneurial activities are undertaken only when profitable (Benz, 2006). Entrepreneurship entails pursuing athletic opportunities, the hope of firm expansion, profit, and wealth creation for new and existing businesses. Because entrepreneurship is an efficient discipline, with findings expected to be applicable in the real world, researchers owe it to practitioners to deliver systematic and accountable results in this field. Second, firms pursuing high EO must make risk-taking and resource allocation decisions. There is a potential downside to taking risks, and resources may be diverted to other purposes. As a result, it is critical to understand not only whether EO has a positive or negative effect on performance. Third, previous research has shown that EO or specific dimensions may differ across countries (Engelen et al., 2012; Shirokova et al., 2016). It is unclear whether this is related to the strength of the relationship between EO and performance. Fourth, previous studies have measured the impact of EO on SMEs in Sri Lanka. However, there is a gap between those studies because no studies were conducted on EO and its impact on the performance of Manufacturing SMEs in the Rathnapura Division. Fifth, however, SMEs in most emerging economies have been struggling. Their contributions have remained low; most emerging economies have less than half the percentage contribution to GDP from SMEs compared to developed economies (Makinde & Agu, 2018). It is also evident that 85 percent of SMEs face significant survival challenges, and more than 75 percent fail within five years of startup (Asian SME Summit, 2009). Sri Lanka's SME sector has grown and developed (Chadha, 2019). Undoubtedly, SMEs make up a crucial part of the Sri Lankan

economy. Accounting for 52% of total Gross Domestic Product (GDP) and 45% of national employment, these enterprises present a wealth of opportunities for domestic economic growth (Chadha, 2019). The SMEs cover broad areas of economic activity such as agriculture, mining, manufacturing, construction, and service industries. Although SMEs encompass agriculture, manufacturing, and service sector establishments, reliable data are available only for manufacturing. Within the manufacturing sector, small and medium-scale industries (SMI) account for about 96 percent of industrial units, 36 percent of industrial employment, and 20 percent of value-added (Taskforce for SMEs Development Program, 2002). However, Sri Lanka still lags behind regional neighbours regarding SMEs as a percentage of total enterprises. In India, Malaysia, and Singapore, SMEs make up 95-99% of entire enterprises, while in Sri Lanka, they barely make up 80% in 2018 (Chadha, 2019). As a result, the researchers are attempting to analyze the impact of Entrepreneurial Orientation on the performance of Manufacturing SMEs in Sri Lanka based on the Rathnapura Division in this study. Therefore, the objective of this study was to examine the effect of entrepreneurial orientation on the performance of manufacturing SMEs in the Rathnapura division, Sri Lanka.

METHODOLOGY

This study was conducted using a deductive approach, and the data was gathered using a survey strategy questionnaire. There are 110 manufacturing SMEs in the Rathnapura Division, and 86 were chosen as a sample for the survey using the Morgen table. According to the literature, researchers have identified five EO dimensions; innovativeness, risk-taking, proactiveness, competitive aggressiveness, and autonomy. Considering these five dimensions of EO, the following hypotheses were established in this study.

H₁: There is a significant positive effect of Innovativeness on Firm Performance

H₂: There is a significant positive effect of Risk-Taking on Firm Performance

H₃: There is a significant positive effect of Proactiveness on Firm Performance

H₄: There is a significant positive effect of Competitive Aggressiveness on Firm Performance

H₅: There is a significant positive effect of Autonomy on Firm Performance

The following conceptual framework was proposed for this study according to the previous literature on research variables.

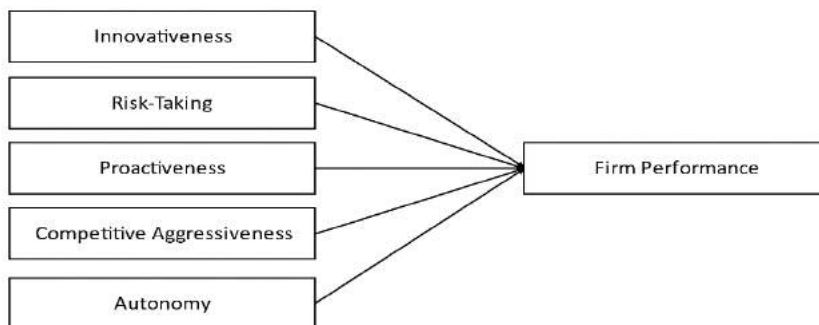


Figure 1 Conceptual Framework

RESULTS AND DISCUSSION

The data was analysed using SPSS 23. Cronbach's Alpha was used to assess the inter-item consistency reliability. As shown in Table 1, in the current study, an alpha ranges from 0.678 to 0.842 confirmed that the data are reliable; thus, further analysis was done.

Table 1 Reliability of the constructs

Variables	Cronbach's Alpha	No: of Items
Innovativeness	0.678	03
Risk-Taking	0.769	03
Proactiveness	0.842	03
Competitive-Aggressiveness	0.778	03
Autonomy	0.835	03
Firm Performance	0.705	09

Correlation analysis was used to understand the nature of relationships between two individual variables and to study the closeness of the relationship between two or more variables—table 2, which suggests the Correlation analysis of the study.

Table 2 Correlations

	Firm Performance	Sig.
Innovativeness	0.268	0.006
Risk-Taking	0.713	0.000
Proactiveness	0.481	0.000
Competitive-Aggressiveness	0.143	0.095
Autonomy	0.023	0.416

The dimensions of the EO of innovativeness, risk-taking, and proactiveness are significantly and positively correlated with firm performance, as shown in Table 2. In contrast, competitive aggressiveness and autonomy are positively but insignificantly correlated with firm performance. Regression analysis is one of the essential methods in which a statistical technique is used to construct a mathematical model that connects the dependent variable to the independent variable. In order to test the hypotheses, regression analysis was used in the current study with SPSS. The results are shown in Table 03 below.

Table 3 Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.884 ^a	.782	.769		.21729	1.588

a. Predictors: (Constant), Autonomy, Proactiveness, Risk Taking, Innovativeness, Competitive Aggressiveness
 b. Dependent Variable: Firm Performance

From the R square value reported in Table 3, it can be stated that the variation in EO can explain 88.4% of the variation in firm performance. The remaining 11.6% of the variation can be attributed to other factors.

Table 4 shows the results of regression analysis.

Table 4 Regression coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
		1	(Constant)	.529		
	Innovativeness	.033	.037	.050	.895	.023
	Risk Taking	.469	.033	.756	14.023	.000
	Proactiveness	.336	.038	.507	8.830	.000
	Competitive Aggressiveness	-.084	.037	-.127	-2.261	.026
	Autonomy	.106	.034	.169	3.086	.053

a. Dependent Variable: Firm Performance

According to Table 4, the result of EO dimensions such as innovativeness ($\beta = 0.033$, $P < 0.05$), risk-taking ($\beta = 0.469$, $P < 0.05$), and proactiveness ($\beta = 0.336$, $P < 0.05$) have a statistically significant positive impact on manufacturing SMEs performance in Rathnapura division. These findings are consistent with previous research (Al-Mamary, & Alshallaqi, 2022; Sutejo & Silalahi, 2021; Fairouz et al., 2010). Based on the results, hypotheses 1, 2, and 3 are supported. Furthermore, competitive - aggressiveness has a significant negative impact on firm performance ($\beta = -0.084$, $P < 0.05$), which is consistent with the literature (Lechner, & Gudmundsson, 2012; Giachetti, 2015). As a result, hypothesis 4 was rejected. Furthermore, autonomy ($\beta = 0.106$, $P > 0.05$) had a statistically insignificant positive effect on firm performance. This result is consistent with the study of Al-Mamun and Fazal findings (2018). Based on the results, hypothesis 5 is also rejected.

CONCLUSIONS AND IMPLICATIONS

The study found that, of the five EO dimensions, innovativeness, risk-taking, and proactiveness have a significant positive correlation and impact on the performance of manufacturing SMEs. Competitive aggressiveness had an insignificant positive correlation with firm performance and a significant adverse effect on firm performance. Furthermore, autonomy had a positive but insignificant correlation and impact on firm performance in Rathnapura division manufacturing SMEs. According to the country's new normal situation, the economy is still recovering from the damage caused by the COVID-19 pandemic. As a result, it is possible that competing with competitors and spending much money on them will not impact the firm's performance. Because customers are still not looking for unique features in the products they buy. They only wanted the products to meet their day-to-day needs. This study met the research objectives of determining the effect of EO on the performance of manufacturing SMEs. Furthermore, the current research discovered that manufacturing SMEs' firm performance could be improved by improving the EO.

Keywords: Autonomy, competitive aggressiveness, entrepreneurial orientation, firm performance, risk-taking

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EFFECT OF MOTIVATION FACTORS ON LABOUR PRODUCTIVITY: STUDY OF CONSTRUCTION INDUSTRY IN JAFFNA DISTRICT

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INTRODUCTION

Productivity is one of the essential aspects for companies in the construction industry. Completion of construction projects on time mainly depends on labour productivity. Organizations seek the best way to achieve the objectives with the minor inputs and human resources to minimize costs. Demotivated individuals are likely to exert little or no effort in their tasks. Therefore, we need to understand the impact of current motivational methodologies on labour productivity in the construction industry in Jaffna. Every organization looks for productivity improvement among its employees, which would be geared toward organizational goal achievement. Investigating the effect of motivation on labour productivity in the construction industry is essential.

Motivation means how a person or a group of people are inspired to behave in a desired manner to receive some positive rewards or satisfy individuals' needs. To motivate individuals, a manager needs to meet their needs and to inspire them, he/she needs to do something beyond satisfying them. The concept of productivity is described as the optimal utilization of resources in producing goods or providing services to meet objectives. Productivity shows the relationship between inputs and outputs. Output and input differ from one industry to another. Also, the productivity definition varies when applied to different areas of the same industry (Borcherding & Liou, 1986). Labour productivity relates to the workforce in terms of labour cost to the outputs produced. Motivation is one of the key factors which drives the organization against its set tasks. Human motivation can be identified as a never-ending process due to the uncertainties of the dynamic environment.

Further, from a practical point of view, there should be a strong relationship between labour productivity and motivation for the overall success of any organization (Bandara & Weligodapola, 2012). Motivation is an art targeted at getting people to work willingly and the art of inducing them to behave in a particular manner to achieve a task (Aiyetan & Olotuah, 2006). According to Olanipekun et al. (2018), motivation is the competency that enhances the drive in workers to complete a given task. The productivity growth in the construction industry may have a considerable effect on economic development and stability. Therefore, even a slight improvement in construction site productivity would significantly benefit the national economy (Hosseini & Chileshe, 2013). Motivating employees will produce better results by fully utilizing the available human resources.

Productivity is the relationship between the output produced and the input provided to create this output (Prokopenko, 1987). Therefore, productivity can be defined as a ratio between output and input. Productivity indicates efficiently using available resources and converting them into noticeable results (Razak et al., 2014). Razak et al. (2014) explained that

improvement in labour productivity contributes a high deal to improving the project outcomes. The construction industry is said to be labour-intensive (Kisi et al., 2017), and construction workers are the primary contributors to the sector's productivity (Małachowski & Korytkowski, 2016). Hence an enhancement of the workers' productivity level can result in much cost savings for the construction projects (Nasir & Hadikusumo, 2019). Johari and Jha (2020) reported that, by increasing the motivation of workers, their productivity could be increased.

Past research (Kazaz et al., 2004; Khan & Ajmal, 2015) has linked various motivation factors to labour productivity. Wadhwa et al. (2011) reported that environmental, organizational, and behavioural factors positively impact productivity improvement among employees. Intrinsic motivation encourages workers to perform a task as the task is inherently enjoyable and pleasurable (Wen et al., 2018). At the same time, extrinsic motivation encourages individuals to actively engage in tasks to gain praise or awards or avoid punishment (Waugh, 2002). This creates a dilemma for the research community in identifying motivation factors in boosting labour productivity (Du et al., 2020). The present study considered four motivation factors: organizational, work environment, money, and facility. Researchers have reported that organizational factors can influence productivity (e.g., Razak et al., 2014; McForson, 2012; Kalburgi & Dinesh, 2010). Good working environment factors also motivate employees to higher productivity (Kalburgi & Dinesh, 2010; Maduka & Okafor, 2014; Enshassi et al., 2007).

Remuneration fulfils the physiological needs that are the essential requirement of people and gives esteem to society. McKenzie and Harris (1984) argue that money was the primary factor for construction workers. Olomolaiye and Ogunlana (1988) and Kazaz et al. (2008) also reported similar finding. Facility factor includes drinking water, proper sanitary facilities, site access, parking, and protective gear (Dozzi & Abourizk, 1993). According to Sims (2007), non-cash rewards such as flexible work schedules, performance recognition (e.g., an employee of the month), tailored goal incentives, etc., motivate employees for higher productivity. The literature review shows preliminary studies to understand the association between motivation and labour productivity in the Sri Lanka context. It is scarce to find studies on these phenomena in the construction industry. Previous studies have been conducted in various other contexts (for example, Kalburgi & Dinesh, 2010; McForson, 2012; Dozzi & Abourizk, 1993). In addition, the motivation factors considered by the previous researchers include organizational factors (Razak et al., 2014; McForson, 2012; Kalburgi & Dinesh, 2010), behavioural and environmental factors (Wadhwa, 2011), and various other factors (Kazaz, Manisali, & Ulubeyli, 2004; Khan & Ajmal, 2015). Hence, there is a gap in the literature regarding the association between various motivation factors and labour productivity in Sri Lanka.

There are a few shreds of evidence of studies conducted in different sectors in Sri Lanka. A study by Rathnayake et al. (2013) revealed that motivation factors such as work satisfaction, fringe benefits, responsibilities, and wage significantly affect tappers' labour productivity. Another study by Gunawardhana (2014) revealed that communication, love, belongingness, job security, and accommodations were among the critical factors of motivation influencing the productivity of construction workers. However, there is a research gap, especially in Jaffna District, and this study will fill the gap to some extent. The main objective of the present study

was to determine the impact of motivation on the productivity of workers in the construction industry in the Jaffna District. The study will answer the following research question.

How motivation impacts labour productivity in the construction industry in Jaffna District?

METHODOLOGY

The present study is a quantitative e, and a cross-sectional survey method was employed. The research participants for the study were selected from six construction firms functioning in the Jaffna region, and a total of 120 workers participated in the study. A convenient sampling method was used to select the samples. The questionnaire method was used to collect data, consisting of 15 questions to measure motivation and ten questions to measure labour productivity. Researchers have identified that there are four motivational factors: organizational factor, work environment factor, money factor, and facility factor (Khan & Ajmal, 2015). Considering these four factors of motivation, the following hypotheses were established in this study.

H1: Organizational factors of motivation positively impact labour productivity.

H2: Work environment factors of motivation positively impact labour productivity.

H3: Money factors of motivation positively impact labour productivity.

H4: Facility factors of motivation positively impact labour productivity.

RESULTS AND DISCUSSION

The data was analyzed using SPSS 21.0 to test the data's reliability and find the association between the variables. The reliability was examined using Cronbach's alpha. An alpha value of 0.7 or above is considered acceptable (Nannally, 1978). The results of the reliability analysis are shown in Table 1.

Table 1 Reliability of the constructs

Variables	Cronbach's Alpha	No. of Items
Organizational factor	0.895	4
Work environment factor	0.788	4
Money factor	0.721	4
Facility factor	0.754	3
Labour productivity	0.730	10

As shown in Table 1, in the current study, the alpha ranges from 0.721 to 0.895, confirmed that the data are reliable; thus, further analysis was done.

Table 2 Correlations

	Labour Productivity	Sig.
Organizational factor	0.623	0.004
Work environment factor	0.711	0.000
Money factor	0.870	0.032
Facility factor	0.356	0.013

As seen in Table 2, the variables of motivation, namely organizational factor, work environment factor, money factor and facility factor, are significantly and positively correlated with labour productivity. To test the hypotheses, regression analysis was done using SPSS. The results are reported in the tables below.

Table 3 Model summary

Model	R	R ²	Adjusted R ²	Std. Error
1	.515 ^a	.265	.260	.2127

a. Predictors: (Constant), FF, MF, WF, OF

a. Dependent Variable: Labour productivity

Table 4 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.424	3	1.207	20.613	.000 ^b
	Residual	2.160	117	.035		
	Total	7.585	120			

From the R² value reported in Table 3, it can be stated that the variation in motivation can explain 26.5% of the variation in labour productivity. The remaining 73.5% of the variation can be attributed to other factors. ANOVA results portrayed in Table 4 shows that the F value is significant at 0.01 level (F= 20.613, p=.000).

Table 5 Regression coefficients

	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	3.116	.443			4.781	.000
Organizational factor	.349	.035	.455		2.622	.005
Work environment factor	.305	.192	.399		2.315	.016
Money factor	.446	.038	.449		2.988	.016
Facility factor	.192	.054	.211		1.287	.261

b. Dependent Variable: Labour productivity

The regression results in Table 5 denote that organizational factor, work environment factor, and a money factor of motivation have a significant positive impact on labour productivity. Based on the results, hypotheses 1, 2, and 3 are supported. The results show that the impact of the facility factor of motivation on productivity is insignificant. Therefore, hypothesis 4 is not supported.

Organizational factors' positive impact on labour productivity is consistent with the literature (e.g., Razak et al., 2014; McForson, 2012; Kalburgi & Dinesh, 2010). The work environment's positive impact on productivity is consistent with the reported studies (e.g., Kalburgi & Dinesh, 2010; Maduka & Okafor, 2014; Enshassi et al., 2007). Adair (2006) claimed that the work environment strongly affects labour productivity. The work environment includes working conditions, supervision, availability of equipment, and peer relationships. Workers' assessment of their work environment influences their productivity. The positive impact of the money factor on productivity is in line with the existing literature (e.g., Olomolaiye & Ogunlana, 1988; Kazaz, Manisali & Ulubeyli, 2008). McKenzie and Harris (1984) argue that money was the primary factor for construction workers. Money has the power to attract, retain and motivate people towards higher performance (McForson, 2012). The current study

revealed that the facility factor of motivation does not significantly impact labour productivity. The finding is not congruent with the literature. The incongruent results could be attributed to the sector and context of the current study.

CONCLUSIONS AND IMPLICATIONS

The study revealed that the organizational, work environment and money factors significantly impact labour productivity out of the four motivation factors. The facility factor does not significantly impact labour productivity. This study succeeded in meeting the research objectives, which aimed at identifying the impact of motivation on labour productivity. Further, the current study found that, by improving the motivation of the employees of the construction industry, it will be possible to increase the productivity of their employees. This study highlighted that, out of four motivation factors, the work environment is the most significant factor for increasing labour productivity. Therefore, by prioritizing the work environment, managers can enhance labour productivity. Even though the previous studies have proposed various motivation factors that affect labour productivity, the current study gives a different insight that the work environment factor is the most influencing factor of labour productivity.

The study's findings help understand the association between motivation and labour productivity. The study would provide a base for increasing productivity in the construction sector through the motivation factors identified as predictors of productivity.

Employee productivity differs based on demographic factors as well as based on psychological aspects. These are some essential aspects to be considered by future researchers.

Keywords: Facility factors, labour productivity, money factors, motivation, organizational factors, work environment factors.

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EFFECT OF THE GLASS CEILING ON WOMEN'S CAREER DEVELOPMENT

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INTRODUCTION

Gender issues relating to women, and professional growth have been a major source of concern throughout the world in recent decades. According to the International Labor Organization (2020), the world's female labor force participation rate is approximately 45.92%. In Sri Lanka, though women represent more than half of the population, they only represent 34% of the active labour force. Only 21% of senior management positions in both private and public companies are held by women. Sri Lanka is still low, at 8% of more than 1,500 board directors in listed companies. These statistics are supported by extant studies, which indicate that women make up only 7% of the board of directors of private banks in Sri Lanka. The best example is the submission of a fundamental fight petition against Ms. Bimshani Jasin Arachchi's appointment as Sri Lanka's first female "Deputy Inspector General of Police," which has generated a meaningful discussion. Women are appeared to be underrepresented in senior jobs while having the same experience and education as male professionals. This negative mental barrier should be broken, and women should be appreciated rather than oppressed. Thus, the researcher came up with the research question 'Impact of the Glass Ceiling on Women's Career Development in Sri Lanka. Women are appeared to be underrepresented in senior jobs while having the same experience and education as male professionals. Women face multiple obstacles in their career development. This negative mental barrier should be broken, and women should be appreciated rather than oppressed or isolated plus should never be a barrier to females from obtaining more excellent work opportunities. Hence, after considering the above circumstances, the researcher would suggest a relationship between the glass ceiling and women's career development. This research results would have generalizability issues since the sample size is strictly limited to women in Sri Lanka. Further, the study was cross-sectional, where data was collected only once. This will result in being unable to monitor the changes over time.

METHODOLOGY

The research was designed under the positivism philosophy and deductive research approach. The present study was conducted among 210 working female employees of the companies in Sri Lanka out of 250 questionnaires distributed. A pre-tested questionnaire was used, which was developed by (Moorthy et al., 2022). As the total number of observations in the population is unknown, convenient sampling was used. The study's sample comprises female executives and above currently working for private and public enterprises. The scale consisted of 3 dimensions and was rated using a 5-point Likert scale labeled as 1= strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, and 5= strongly agree. The Statistical Package of Social Sciences (SPSS) 25 version and Microsoft Excel 365 were applied. The nominal scale for the demographic information provided by the respondents is effectively summarized using frequency and percentage. Below hypotheses are tested, and the conceptual framework is created (Figure 1).

H₁: There is an impact of an individual factor on women's career development.

H₂: There is an impact of an organizational factor on women's career development.

H₃: There is an impact of a family factor on women's career development.

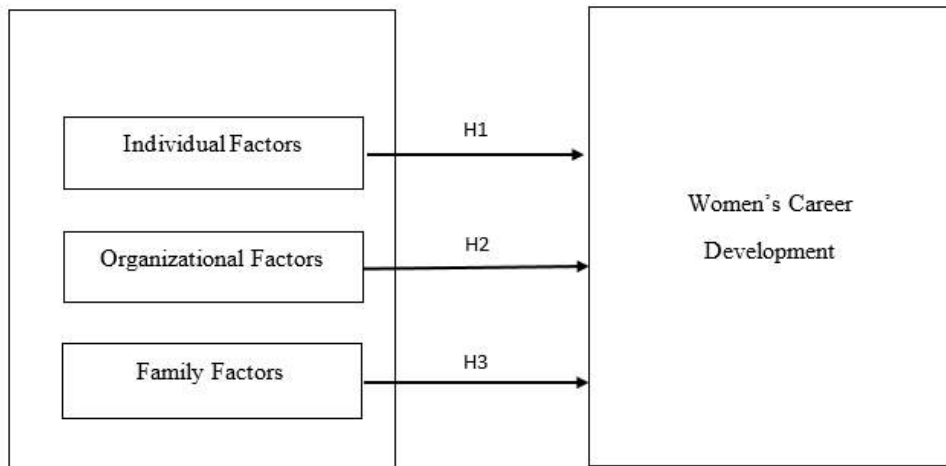


Figure 1 Conceptual Framework

RESULTS AND DISCUSSION

As the study mainly focuses on women's career development, the population is biased and comprises 100% females. The majority (63.3%, $n = 133$) of the respondents were single, and the remaining 36.7% ($n = 77$) were married. Approximately 38.6% ($n = 81$) of the respondents belonged to the monthly income group of Rs. 50,000 – 99,000. or the more than Rs.101,000 income group and most respondents had 2 to 4 years of experience 37.6% ($n=79$). The majority were from the senior executive level 42.9% ($n=90$) while employees from the managerial position were almost 32.6% ($n=80$) in terms of the level of position. The data was tested based on reliability, validity, and linearity in order to check the accuracy of the responses given. However, the items which had lower reliability values were deleted. The reliability is measured based on Cronbach's alpha. Within the current study, as the Cronbach alpha is more than 0.7 it could be stated that the variable are reliable. The validity measure is calculated based on the KMO value. The KMO values above 0.5 indicates that the variables are valid and that it indicates that sample adequately represents for the population (Shrestha, 2021).

Table 1 Reliability and validity measures

Variable value	Number of items	Reliability value	Validity
WCD	7	0.710	0.700
GC	13	0.854	0.881
IF	3	0.754	0.679
OF	5	0.616	0.674
FF	5	0.777	0.784

Notes: (1) WCD- Women's career development; (2) GC- Glass ceiling; (3) IF- Individual factors; (4) OF Organizational factors; (5) FF- Family factors.

Table 2 Results of regression Coefficient

Coefficients		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	2.234	0.221		10.106	0.000
	IF	0.435	0.202	0.123	2.152	0.165
	OF	0.409	0.126	0.263	3.247	0.001
	FF	0.373	0.114	0.274	3.284	0.001
a. Dependent Variable: Women's career development						
b. R ² 64.9%						

The first and foremost objective was to examine the effect of the glass ceiling on women's career development. The regression analysis is conducted to test the hypothesis; when considering regression analysis between the glass ceiling and women's career development value, the beta value coefficient was 0.555 at the 95% confidence level, which signifies a significant positive impact. The outcomes of this study support earlier findings where according to De Alwis (2017), the regression analysis of that particular study confirmed that the Glass Ceiling has a 64.9% influence on the Career Development of Female Executive level employees working in the private sector banking organizations within the Colombo district in Sri Lanka. The second objective was to examine the effect of individual factors on women's career development. The hypothesis was rejected based on the regression analysis as the sig value is 0.165 and more than 0.05. This signifies that individual factors have no impact on women's career development. This is also similar to the research conducted by Moorthy et al. (2022) that showed low levels of the implication of individual factors towards women's career development. The third objective was to examine the effect of organizational factors on women's career development. The sig value resulted in 0.000. Therefore, the P value is less than 0.01 at a 95% confidence level. Hence, the researcher has enough evidence to say that organizational factors significantly impact women's career development. Moreover, the regression analysis is conducted to test the hypothesis; when considering regression analysis between the organizational factors and women's career development value of the coefficient was 0.263 at the 95% confidence level, which indicated it was a significant moderate relationship between the organizational factors and women's career development in Sri Lanka. The findings of Bombuwela and De Alwis (2017); Wickramaratne (2013) had a similar result. Men are often assigned to decision-making departments in some corporations, while women are given support roles, which usually hinders women's professional advancement (Moorthy et al., 2022). Also found that organizational factor also has a significant impact on women's career development towards career women in Seremban city (Hussin et al., 2019). The final objective was to examine the effect of family factors on women's career development. The P value is 0.01; the sig value resulted in 0.000. Therefore, the P value is less than 0.01. Hence, at a 95% confidence level researcher has enough evidence to say that the family factor has a significant impact on women's career development. Moreover, the regression analysis is conducted to test the hypothesis when considering regression analysis between the family factors and women's career development, which indicated a significant relationship between the family factors and women's career development. Family factors are barriers to women's career progression. This result aligns with the finding of a prior study conducted in Malaysia;

it revealed that there is a significant impact of family factors on women's career development (Moorthy et al., 2022). Accordingly, hypotheses testing is summarized as follows:

Table 2 Hypotheses testing

Hypothesis	Beta Value	Sig Value	Decision
H ₁	0.123	0.165	Not Supported
H ₂	0.263	0.000	Supported
H ₃	0.274	0.001	Supported

CONCLUSIONS AND IMPLICATIONS

Women's participation in the labour market rose dramatically in the latter half of the twentieth century (Black et al., 1999, as cited in De Alwis, 2017). However, as discussed earlier, a minimum number of females represent executive positions. This study's main objective was to investigate the "glass ceiling" effect on women's access to leadership roles in Sri Lanka. The results indicate an impact of the glass ceiling on women's career development. The organizational and family factors are the main factors in identifying the specific factors that could enable women's career progression. Thus, the findings of this study contribute to an in-depth understanding of women's achievements in top management positions in Sri Lanka, which can be used in many rearrangements. Hence, according to research findings, the most impacted glass ceiling factor is the family factor. More female workers had trouble managing work, family duties, and family responsibilities and did not always have enough time to do everything well. The most significant issue for them was time management. Hence, to help female workers avoid family barriers, organizations can provide daycare centers, leave them on weekends, and give the same flexible office hours and work-from-home opportunities. Another consideration is that our society has been established to support women in their family responsibilities, so there must be a valid reason to offer them some flexibility (Bomuwela & De Alwis, 2013). Another factor is organizational factors which most of the employees in the study did not think the organization's promotion process was fair. As a result, management should treat employee promotions properly. It is preferable to give males and females within the organization rights and obligations, such as the same promotion methods, wage levels based on experience and knowledge, and work responsibilities. Also, they do not see any friendly policies to women's perspective where organizations need to work on a more women-friendly policy system to ensure their justified rights. Additionally, most respondents disagreed with "equal treatment of the management." Management should consult with each worker individually to plan a clear and comprehensive succession plan for each employee. So, based on the findings, this study provides several implications for management, which can consider some future developments towards reducing the impact of the glass ceiling on women's career development. Their participation in all sectors and at all levels without facing any discrimination constitutes the actual cracking of the glass ceiling. Only with greater understanding and empowerment of the leaders of tomorrow would this ceiling be able to be broken.

Keywords: Family factors, Glass Ceiling Theory, individual factors, organizational factors, women's career development

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IMPACT OF JOB STRESS ON JOB PERFORMANCE OF A SELECTED GARMENT FACTORY IN KURUNEGALA DISTRICT, SRI LANKA

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INTRODUCTION

The world of work and business has become increasingly subject to fast-changing forces like increased competition, the pressure of quality, innovation, and the pace of doing business (Bamba, 2016). With increasing emphasis on the quality of work and delivery speeds, many employees are working under immense stress due to the dramatic increase in demand for an employee (Yunita & Saputra, 2019). Consequently, job stress has become a frequent problem across all occupations and is a common phenomenon in the garment industry (Islam & Stringer, 2018).

Different aspects of job performance, productivity, decision-making abilities, job satisfaction, absenteeism, organizational skills, creativity, accuracy, initiative, and attention to personal appearance are affected by stress (Ratnawat & Jha, 2014). According to the findings of Khuong and Yen (2016), workload, role ambiguity and role conflict, working relationships, career development, and working environment have been identified as the critical factors that affect employees' job performance through job stress. Similarly, the findings of Murali et al. (2017) have revealed that employee job performance is affected by time pressure, lack of motivation, and role ambiguity, and work overload, lack of motivation, harassment, role conflict, and reduction of resources. Yunita and Saputra (2019) have argued that when employees are highly stressed, their performance decreases.

Consequently, organizational performance is declined due to increased labour turnover, absenteeism, work ineffectiveness, and legal and financial damages. Ekienabor (2016) discovered that job stress impacted employee commitment, thereby causing a decrease in the employee's performance. Further, Shagvaliyeva and Yazdanifard (2014) have found that when there is too much stress on employees, it directly affects the quality of output and performance. Many researchers have found that job stress impacts employee job performance (Dar et al., 2011; Khuong & Yen, 2016; Islam & Stringer, 2018), but only a few studies have been conducted on this area in the Sri Lankan garment industry. Therefore, this research attempts to fill that empirical gap through a study conducted in a selected garment factory in Kurunegala District, Sri Lanka. The machine operators in the selected garment factory are highly target-oriented and work under tremendous pressure due to the higher demands of their jobs. The selected garment factory had undergone a significant drop in production over the past six months, and the labour turnover for the particular period had increased drastically. Hence this study was conducted to address the problem: Does job stress impact machine operators' job performance in the selected garment factory? Accordingly, the main objective of this study is to investigate the impact of job stress on the job performance of machine operators. Further, the researchers also attempt to identify the impact of work overload, working environment, role ambiguity, and salary on the job performance of the machine

operators in the selected garment factory. The findings of this research would be necessary for making strategic decisions on improving employee performance and conducting further research in the same field. However, since the study considers one category of employees in a single company, the generalizability of the findings is limited.

METHODOLOGY

The study used job stress as the independent variable and job performance as the dependent variable. Here, the job stress of machine operators in the selected garment factory was measured using four sub-dimensions: work overload, working environment, role ambiguity (Khuong & Yen, 2016), and salary (Awadh et al., 2015). Job performance was measured in terms of task and contextual performance (Kappagoda, 2018). The conceptual model used in the study is presented in Figure 1.

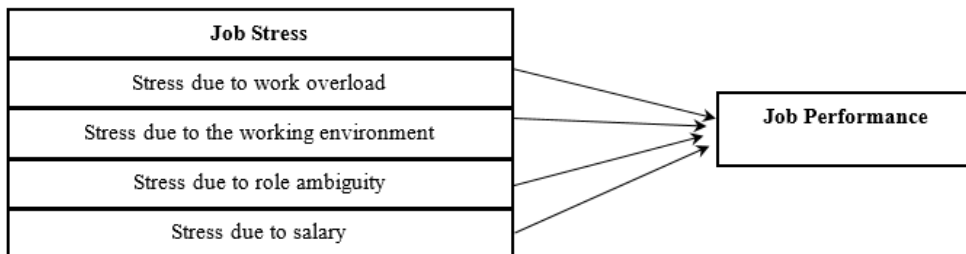


Figure1 Conceptual Model

The researchers developed the following hypotheses based on the above conceptual model.

H1: Stress due to work overload has a significant impact on the job performance of machine operators

H2: Stress due to the working environment has a significant impact on the job performance of machine operators

H3: Stress due to role ambiguity has a significant impact on the job performance of machine operators

H4: Stress due to salary has a significant impact on the job performance of machine operators

H5: Job stress has a significant impact on the job performance of machine operators.

The study was conducted using the quantitative approach. It was a cross-sectional study, and the data were collected in a non-contrived setting. The study population was all the machine operators of the selected factory, and the sampling was done using the Krejcie and Morgan Table (1970). Accordingly, as the population of the study was 550, the sample size was taken as 226.

The primary data for the study were collected using a self-administered questionnaire consisting of two sections, Part A and B. Part A consisted of demographic data, and Part B included 20 statements (Ekienabor, 2016; Khuong & Yen, 2016; Lopes & Kachalia, 2016) for Job Stress and 12 statements for Job Performance (Beffort & Hattrup, 2003; Koopmans et al., 2014) with a five-point Likert scale (1 for Strongly Disagree- 5 for Strongly Agree). The data were analyzed using univariate and bivariate methods, and the analysis was carried out by SPSS Version 25.

RESULTS AND DISCUSSION

The inter-item consistency and reliability of the questionnaire were examined with the Cronbach Alpha test. According to the findings, job stress and job performance were reported at 0.877 and 0.889, respectively. The Cronbach's Alpha test results suggested that each instrument's internal reliability was satisfactory. The content validity of the instruments was ensured by the conceptualization and operationalization of the variables based on literature and indirectly by the higher internal consistency denoted by Alpha coefficients. The questionnaires were distributed among 226 machine operators, and all the responses were received.

The results of the demographical data reported that most of the machine operators were female between 18 and 25, and 57% were married. 72.4% of the total respondents were in the permanent cadre, and over 35% of them had work experience of more than three years. Most respondents were in the income range 20000-25000, reporting 53%, and only 7% of the total respondents belonged to the income level above 35000.

Table 1 Results of Descriptive Data Analysis

Variable	Mean	Std. Deviation	Skewness	Kurtosis
Stress due to work overload	4.4317	0.2127	-0.630	-0.606
Stress due to the working environment	4.2952	0.4317	0.077	0.594
Stress due to role ambiguity	4.3371	0.109	-0.270	1.173
Stress due to salary	4.4181	0.4073	-0.833	0.073
Job stress	4.3456	0.3386	-0.763	0.575
Job Performance	1.8135	0.5664	0.641	-0.298

According to Table 1, all the mean values of the distribution are above 4.0, indicating that the machine operators in the organization are experiencing high levels of stress due to work overload, work environment, role ambiguity, and salary. The overall job stress is reported as 4.3456, and it denotes that the machine operators of the factory are under a high-stress level at their jobs. In contrast, the mean value of the job performance of the machine operators lies between 1.2471 and 2.3799, indicating a poor job performance level. The Skewness and Kurtosis coefficients depict that the recorded data are normally distributed.

Table 2 Summary of Regression Analysis Results

Predictor	R	R Square	Adjusted Square	R Beta	Sig. (2 tailed)
Stress due to work overload	.970 ^a	.941	.931	-.970	.000
Stress due to the working environment	.896 ^a	.803	.801	-.896	.000
Stress due to role ambiguity	.918 ^a	.843	.841	-.918	.000
Stress due to salary	.864 ^a	.746	.743	-.864	.000
Job Stress	.934 ^a	.873	.872	-.934	.000

As indicated in Table 2, the b values reported by stress due to work overload, working environment, role ambiguity, salary, and overall job stress are -0.970, -0.896, -0.918, -0.864,

and -0.934, respectively. These values depict a strong negative impact on the job performance of machine operators, and thus the hypotheses H₁, H₂, H₃, H₄, and H₅ were accepted. According to the R Squared values of the overall job stress, 87.21% of the variance in job performance is explained by the job stress level of the machine operators in the selected garment factory. Further, based on the results, it is evident that stress due to work overload, working environment, role ambiguity, and salary could predict employee job performance.

CONCLUSION AND IMPLICATIONS

This study mainly focused on measuring if job stress impacts machine operators' job performance in a selected garment factory in Kurunegala District. As indicated by the empirical data, it has been identified that work overload, working environment, role ambiguity, and salary significantly influence the job performance of the machine operators in the selected garment factory. Thus it can be concluded that there is a significant negative impact of job stress on the job performance of machine operators in the selected garment factory, and job stress plays a vital role in determining employees' job performance. These findings are consistent with the results of the investigations carried out by Murali et al. (2017), Khuong and Yen (2016), and Ekienabor (2016). Based on these results, the researchers recommend redesigning some jobs to reduce work overload (Awadh et al., 2015), providing sufficient support, guidance, and encouragement, building social support (Goswami, 2015), and maintaining a proper reward system as measures of managing employee job stress to improve their job performance.

Keywords: Job performance, job stress, role ambiguity, work overload

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**IMPACT OF WORKPLACE DISCRIMINATION ON EMPLOYEE
PERFORMANCE: SPECIAL REFERENCE TO THE SRI LANKAN APPAREL
INDUSTRY**

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INTRODUCTION

Discrimination is illegal. When a particular group of people is mistreated, this is considered discriminating. In essence, employers have to offer equal employment opportunities to employees of different sexes, colours, ethnicities, and religions, among other personal characteristics. Human resource managers frequently neglect to monitor their workers during their free time. Because of this, the employees engage in discussions that support discrimination based on age, gender, ethnicity, and religion (Denissen & Saguy, 2014). Discrimination demotivates workers and lowers potential job satisfaction (Denissen & Saguy, 2014). Finding a long-term solution to workplace discrimination may be possible if biases are understood clearly. Despite their apparent insignificance, some workplace practices significantly impact discrimination that impacts employee performance in the long run. Hence, the purpose of the study is to find out the effect of workplace discrimination on employee performance. Therefore, the study will address the main research objective of identifying how workplace discrimination impacts employee performance. Previous studies have provided evidence that workplace discrimination takes many forms. Abbas et al. (2011) found that gender discrimination in employee promotion harms employee performance. Moreover, Day (2006) said that employees in religiously diverse organizations might be prone to increase interpersonal conflicts and misunderstandings that impact employee performance. Furthermore, studies by Rynes and Rosen (2007) highlighted that workplace age discrimination occurs when one employee is treated differently than another because of their age. Moreover, Cox (2001) emphasized that different ethnic backgrounds of employees could result in discrimination in the workplace, impacting their overall performance at work. The empirical significance of the study is to help employees and employers create a non-discriminatory workplace to improve employees' performance. Moreover, the study will contribute to identifying some of the workplace's discriminatory practices, such as wage disparities because of age and gender, and implement strategies accordingly to improve employee performance. However, it is essential to consider time, logistical and monetary constraints as possible limitations in conducting this study.

METHODOLOGY

There has been tremendous change in the workplace with more women's participation in the workforce. However, regardless of women's representation, they still face discrimination in various sectors within the organization. The stereotypical thinking has led to the notion that women are less committed to the organization (Welle & Heilman, 2005). Thus, such stereotypical thinking can hinder women's progress in workplace growth. Even though the participation of women in the workforce is increasing, the glass ceiling still prevails in the business environment. Women are marginalized in areas such as salary, rewards, and

exercising authority in the workplace (Ngo, 2003). Adhikari (2014) stated that there is no significant difference in the performance of different gender employees. Still, there is discrimination in a workplace where female workers are underrepresented and paid less than men. Thus, the following hypothesis is advanced,

H₁: Gender discrimination has an impact on employee performance.

Discrimination can take many forms, from simple remarks about grooming or traditional dress to job termination. However, current research on religion in the workplace focuses primarily on management practices such as dress codes and meeting schedules. Individuals nowadays frequently express their personal views and seek religious accommodations in the workplace, according to Morgan (2006). This could result in some organizational conflicts. However, these concerns only scratch the surface of more severe issues, such as behavioral outcomes that affect organizational performance, such as employee commitment and engagement. According to Robert (2007), employees are subjected to harsh and unfavorable treatment because of their religion or faith. Thus the following hypothesis is advanced,

H₂: Religion discrimination has an impact on employee performance.

Workplace age discrimination occurs when one employee is treated differently than another because of their age (Rynes & Rosen, 2007). While the overall number of claims has risen, age discrimination claims have increased in tandem with the general economy and layoffs (Becker, 2005). Companies that discriminate based on age believe that older workers are less flexible and willing to learn new tools and technologies. Younger workers are more dedicated, hardworking, and detail-oriented (Agu, 2009). Individuals who believe they have been mistreated because of their age, according to Snape and Redman (2003), are more likely to feel undervalued by the organization, which can affect their productivity. Becker (2005) further emphasizes that prejudice usually motivates age discrimination. Hence, the following hypothesis is advanced.

H₃: Age discrimination has an impact on employee performance

Ethnic diversity refers to a socio-cultural workforce diversity specified by the number of people who have different ethnicity in the company concerning languages, cultures, and values (Gupta, 2014). Cox (2001) adds that ethnic diversity is the differences in people's ethnic backgrounds; team members belong to different ethnic groups applied to a work team. Bell et al. (2010) argue that someone's work style is often linked to someone's ethnic background and that ethnic diversity within a team affects how team members work together and perform. Consequently, organizational performance seems increasingly dependent on diverse employees working together, which could explain the increased attention of managers and researchers to work on group diversity and its relationship with performance. Thus, the following hypothesis is advanced,

H₄: Ethnic discrimination has an impact on employee performance

Hence, the following conceptual framework is proposed;

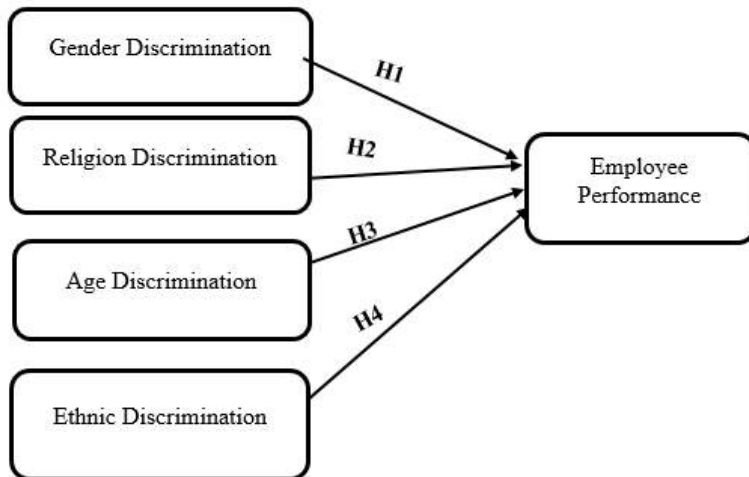


Figure 1 Conceptual Framework

This study adopted a positivistic research philosophy using a quantitative method for data collection. For this study, the middle-level employees of the apparel industry were studied as they make decisions in the organization by playing a more significant role. Convenience sampling was used for easy access to gather data from a self-administered questionnaire, and the approximate sampling size was 150. The respondents were required to read each question carefully and indicate the option representing their opinion using a five-point Likert scale.

RESULTS AND DISCUSSION

The raw data was initially reviewed for missing values after being entered into the SPSS 25. The summary of the study's response rate is illustrated in table 1.

Table 1 Responses Rate

Number of Google forms distributed	Number of responses received	Response Rate %
200	150	75%

The sample composition is analyzed through every variable included in the questionnaire, namely; gender, age, and year using descriptive statistics using frequency tables. The frequency tables are further illustrated. The sample consists of 94 female respondents (63%) while male respondents amount to 56(37%). Hence it can be concluded that the responsiveness of females is higher than that of males. A sum of 84 respondents (56%) fall between the ages of 18-25, 62 (41%) fall between the ages of 26-33, 3 (2%) fall between 34-41, 1 (1%) fall between the ages of 42-49 years, No falls between the ages of 50 and above. Ages 26-33 constitute the most significant percentage. Moreover, 62 (41%) had A/L or Diploma, 75 (50%) had BSc/HND, 12 (8%) had a Master's Degree, and 1 (1%) had Ph.D. BSc/HND constitutes the most significant percentage.

Table 2 Reliability Statistics

Variable	No of items	Cronbach's Alpha
Employee performance	5	0.879
Age Discrimination	3	0.830
Gender Discrimination	5	0.858
Ethnic Discrimination	10	0.943
Religion Discrimination	3	0.882

Cronbach's Alpha of 0.7 or higher is considered acceptable, ensuring reliability (Table 2).

Table 3 Correlation Coefficients

Variable	Gender Discrimination	Age Discrimination	Ethnic Discrimination	Religion Discrimination
Correlation Coefficient	-.818	-.765	-.829	-.829
Sig Value	0.001	0.984	0.000	0.000

Based on Table 3, which indicated a 95% confidence level, the relationship between variables is negative and significant to employee performance. Furthermore, looking at the variables, it could be stated that the impact of gender, ethnic and religious discrimination is slightly higher than age discrimination. After that, the regression analysis was conducted to test the hypothesis.

Table 4 Hypotheses Testing

Hypotheses	Sig Value	Accept/Reject
H ₁ : Gender discrimination has an impact on employee performance	0.001	Accept
H ₂ : Religion discrimination has an impact on employee performance	0.000	Accept
H ₃ : Age discrimination has an impact on employee performance	0.984	Reject
H ₄ : Ethnic discrimination has an impact on employee performance	0.000	Accept

Except for age discrimination, all hypotheses in Table 4 were accepted. It could be seen based on the statistics the impacts of all the independent variables (gender discrimination, ethnic discrimination, religion discrimination) except age discrimination on the dependent variable (employee performance) are negative and significant.

CONCLUSIONS AND IMPLICATIONS

This study aimed to explore the impact of workplace discrimination on employee performance. This study was conducted under the framework of the apparel sector of Sri Lanka. Based on the hypotheses developed, the study findings revealed a negative relationship between gender discrimination and employee performance with a sig value of 0.001. This result is consistent with the work of Robert (2007), Cynthia (1995), and Oloyede (2009) that

women often experience a "glass ceiling" and that there are no societies in which women enjoy the same opportunities as men. Moreover, religious discrimination and employee performance too revealed a 95% confidence level, and the sig value is less than 0.05, indicating an acceptance of the hypotheses tested. Result proves Weiss's (2008) assertion that the number of religious discrimination grievances is beginning to rise faster. It was further revealed that ethnic discrimination is more prevalent, especially against other ethnic groups in the apparel sector, as the coefficients sig value is 0.000 at a 95% confidence level. This confirms past study that observes that ethnic discrimination is a significant feature among humans. By implication, it also means that middle-level employees in the apparel sector may also be discriminated against in one way or the other. However, it was revealed that although age discrimination and employee performance have a positive relationship with a correlation coefficient of 0.765, its impact on employee performance was rejected with a sig value of 0.984. With the study's revelations, practitioners must consider that multi-ethnic and multi-religious groups pose a severe challenge to relationships and work ethics in an organization. The inherent tendencies in humans to discriminate even made it more challenging. Managing such diversity effectively will yield several positive benefits. Organizations aiming to enhance performance and achieve its objective and goal must consider good and sustained organizational culture. The general culture in organizations is the primary determinant of the employees of the organizations and their commitment to not only their assigned jobs and responsibilities but also to the achievement of the goals and objectives of the organizations. To a considerable extent, sustained organizational culture determines the quantity and quality of the employees' work. The achievement of any organization's goals and objectives depends on employees' performance. Thus, it is the employer's responsibility to ensure such workplace discrimination of any form does not exist in the organization. This study further calls upon researchers to study other variables, such as geographic location, to understand how such discrimination impacts employee performance.

Keywords: Apparel industry, employee performance, workplace discrimination

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**TEAM DYNAMICS AND VIRTUAL TEAM PERFORMANCE: SPECIAL
REFERENCE TO THE INFORMATION TECHNOLOGY INDUSTRY IN SRI
LANKA**

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INTRODUCTION

In this competitive environment, companies have identified that team performance is an essential category for the performance of the organization and as well as the employees. When considering team performance, virtual team performance has been highlighted more than the physical contribution in the current context. Although virtual teams are new to the global business landscape, they are already acknowledged as a boon to international organizations. These are categories of people collaborating on a common goal using information and communication technology rather than the traditional face-to-face mode (Gupta & Pathak, 2018). Virtual teams can connect all the talented candidates from any global or national business, as well as from other companies. This is because collaborating on a given assignment, regardless of location, enables the company to score higher (Ale Ebrahim et al., 2009).

Teams have a particular level of accountability and responsibility, which makes them ideal for knowledge transmission, creation, and sharing. Teams' ability to drive better organizational performance is determined by their dynamic ability to coordinate and collaborate (Cohen & Bailey, 1997). According to Rico et al. (2008), the function of teams' implicit operations and how this relates to team performance discovered that high-performing firms have incredible team dynamics. Modern technology is slowly but steadily transforming the nature of work, requiring employees to "do" less and "think" more, putting intellectual skills to the test (Helfgott, 1994). Therefore, with the rapid pace of change, teams must be more dynamic, adaptive, and innovative (Elmuti, 1996). As one might expect, no two teams are alike. Some teams are permanent, while others are part-time or explicitly formed for a project.

Furthermore, some work teams are people with similar skills, and others feature members with various backgrounds. Some groups are like a crew (rowing) team, with everyone pulling in the same direction. Some are similar to basketball teams in that interpersonal coordination of many responsibilities is crucial. Others operate similarly to gymnastics teams, with each member performing and being scored independently. Sri Lanka has remained committed to adopting new communication technology. According to the Annual Central Bank report of Sri Lanka (2020), industrial ICT adoption is inadequate. Although there have been substantial advancements during the outbreak, the state sector's use of Computer systems lags behind the private sector. The country was 107th for ICT adoption in the Global Competitiveness Index, with poor adoption of broadband, fibre, and internet technologies. There is a significant loss of employment from February 2020 to December 2020. Per the Department of Labour Sri Lanka (2021), there was a shortage of 557 males and 867 females in the Information and communication sector. The business operation status of the Information and communication sector was 63.3%, and no permanently closed status (0%) of the establishments had reported being in the whole operation in December 2020 (Department of Labour Sri Lanka, 2021). A

virtual team is a revolutionary organizational style that gives businesses more freedom (Guinaliu & Jordan, 2016). On the other hand, working in a virtual environment may not always be a pleasant experience due to the lack of face-to-face interactions (Gupta & Pathak, 2018). Virtual team members must be inspired and guided with or without minimum face-to-face connection. However, there is a shortage of studies undertaken to identify the factors influencing team dynamics and the significance of virtual team performance (Mcgrath, 1991). Furthermore, within the current study, the team dynamics will be evaluated by considering competencies such as team collaboration, support, and behaviour. Considering the abovementioned circumstances, the problem statement of the current study can be stated as: “What is the impact of team dynamics on virtual team performance with special reference to the IT industry?”

METHODOLOGY

The positivist philosophy and deductive research methodology were used in the study's design. Out of 250 questionnaires distributed, the current study was conducted among 200 Sri Lankan employees working in the IT sector. A pre-tested questionnaire was used, which was created by (Moorthy et al., 2022). Convenient sampling was utilized because the population's total number of observations is unknown (Saunders et al., 2011). The scale has three dimensions and was scored on a 5-point Likert scale, with 1 being the most vigorous disagreement, 2 being disapproval, three being neutral, 4 being agreement, and 5 being the strongest. Microsoft Excel 365 and the Statistical Package of Social Sciences (SPSS) 25 version were used. Frequency and percentage are helpful summaries of the demographic data provided by the respondents on a nominal scale. The conceptual framework is developed, and the following hypotheses are tested (figure 1).

H₁: There is a significant impact of team collaboration on virtual team performance

H₂: There is a significant impact of team support on virtual team performance

H₃: There is a significant impact of team behavior on virtual team performance

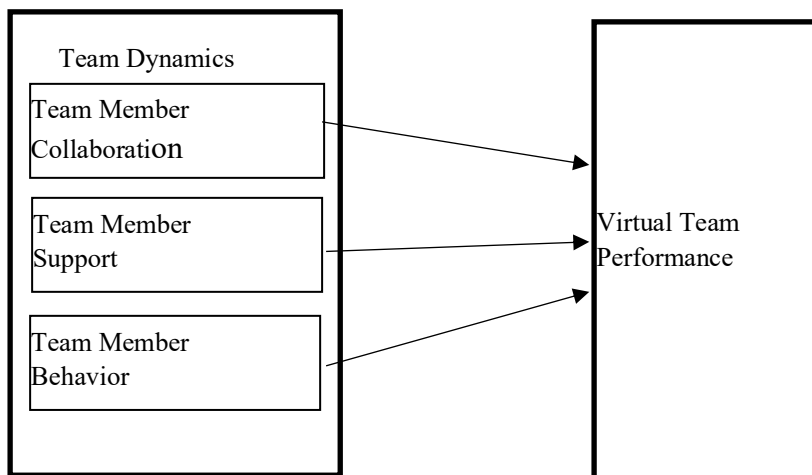


Figure 1 Conceptual Framework

RESULT AND DISCUSSION

According to the survey, most of the respondents are males (52%). Further to the statistics, the majority of the respondents are between the ages of 20 and 30 (81.5), and the majority hold a

bachelor's degree (62.5%). Moreover, they are employed (52.5%) and earn less than Rs.20,000/=. It also demonstrates that a considerable number of respondents use virtual platforms. Most responders use the Microsoft Teams app (43.5%) as their online platform, and the majority have 1-5 years of experience (80%). Based on the data, it was discovered that team dynamics have a considerable positive impact on virtual team performance in the Sri Lankan IT business. It was discovered that team dynamics competencies such as team member collaboration, team member support, and team member behaviour are favourable and significant.

Furthermore, these findings are consistent with prior findings from a typical team performance study. The data underwent tests for validity, reliability, and linearity to ensure that the responses were accurate. The items with lower reliability levels, however, were eliminated. Cronbach's alpha is used to gauge reliability. Given that the Cronbach alpha for the current study is more than 0.7, it may be said that the variables are reliable. The KMO value is used to determine the validity measure. The sample adequately represents the population when the KMO value is more significant than 0.5, and the variables are valid (Shrestha, 2021).

Table 1 Reliability and Validity Measures

Variable	Number of Items	Reliability Value	Validity Value
Virtual Team Performance	07	0.737	0.781
Team Dynamics	18	0.875	0.957
Team Member Collaboration	08	0.873	0.911
Team Member Support	05	0.878	0.856
Team Member Behavior	05	0.866	0.855

Table 2 Hypothesis Testing

Hypothesis	Beta Value	Sig Value	Decision
H1	0.570	0.00	Accepted
H2	0.546	0.00	Accepted
H3	0.628	0.00	Accepted

According to the analysis, the reliability and validation statistics were both acceptable and could be utilized to test more complex hypotheses. The first and foremost objective is to examine the impact of team member collaboration on virtual team performance in the IT industry. Based on the statistics of the dimensions, it can be stated that there is a significant impact of team dynamics on virtual team performance.

Second, to examine the impact of team support on virtual team performance in the IT industry. The overall value of the team member support on virtual team performance was somewhat high because the overall mean value of the team member support was 3.98, which can be considered a high level and close to a value of 4. When considering regression analysis, it could be stated that team support has a significant positive impact on virtual team performance. Last, to examine the impact of team behaviour on virtual team performance in the IT industry. The overall value of the team member behaviour on virtual team performance was almost high because the overall mean value of the team member support is 4. Thus, based on the above findings in table 2, it could be concluded that team member support has a

significant moderate impact on virtual team performance in the IT industry of Sri Lanka. These findings are consistent with past studies.

CONCLUSIONS AND IMPLICATIONS

The current study aims to investigate team dynamics' effect on virtual team performance within the IT sector in Sri Lanka. Statistical analysis revealed that team dynamics in Sri Lanka's IT sector had a favourable impact on the performance of virtual teams. It also showed that team member behaviours like cooperation and support are critical and positive. In conclusion, it can be said that team dynamics will have a positive and significant impact on how well a virtual team performs in the IT industry virtually.

Additionally, it was discovered that these effects do alter depending on the level of team dynamics capabilities. The current study emphasizes the significance of team dynamics to enhance teams' performance in a virtual setting instead of improving IT professionals' physical working environments. The current study highlights the importance of team dynamics to Sri Lankan IT professionals to enhance the performance of virtual teams in digital environments. Therefore, measures to improve IT employees' team dynamics skills should be taken. Giving employees the right equipment could be reached as offering the staff the most recent, lightning-fast, and secure software. It would help consider additional software, hardware, and platform requirements specific to the line of work. Business objectives should be carefully analyzed, and choose the appropriate deliverables and objectives for each virtual team member. When delegating tasks appropriately, two techniques could be used. Give the staff little work sections from more significant projects divided into smaller tasks. The second could be making a work schedule that is just right, not too rigid, and not too accessible. The management must intervene and recognize the commercial accomplishments of the staff. Last could be determining as ensuring that each virtual team member has enough downtime to recover from everyday responsibilities is the obligation. The study was constrained by the fact that the research was done in a controlled setting. To extend the study's findings, a study on various team dynamics competencies could be done as future findings. Additionally, the investigation was carried out as a cross-sectional study. This will make it impossible to track changes continuously over time. Therefore, a future researcher could conduct a longitudinal study to comprehend how virtual team performance will change via the team dynamics of IT staff.

Keywords: Team dynamics, team member behaviour, team member collaboration, team member support, virtual team performance.

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THE IMPACT OF PSYCHOLOGICAL CAPITAL AND EMOTIONAL INTELLIGENCE ON GOAL ORIENTATION OF MANAGERS IN THE BANKING SECTOR OF NORTH CENTRAL PROVINCE IN SRI LANKA

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INTRODUCTION

The Banking sector in Sri Lanka plays a significant role in the country's economic development. The banking sector's performance affects economic sectors (Kappagoda et., 2014). Therefore, in today's highly competitive business environment, the managers of the banks should work to their fullest capacities and have a high motivational orientation to set goals for improving the performance of their banks. However, the level of the motivational orientation that describes a manager's tendency to set goals for high achievement is different from one manager to another (Bayardelle, 2019). Elliot and Dweck (1988) emphasized that an individual's goal orientation has shown to be a huge factor in their definitions of success (Bayardelle, 2019). Dweck (1986) and Dweck and Leggett (1988) stated that goal orientation is a construct used to describe a person's mental representations and approaches to successful situations (Blair, 2008). Goal orientation provides individuals' mental framework to interpret and respond to achievement and failure situations (Dweck & Leggett, 1988). Among the factors influencing goal orientation, psychological capital and emotional intelligence have been given less attention in the literature. By extending the ideas of positive psychology, Luthans and his colleagues developed the construct of psychological capital (Luthans et al., 2007a, Adil, 2015). Psychological capital can be defined as an individual's positive state of development characterized by hope, confidence, optimism, and resilience (Luthans et al., 2007a; Luthans et al., 2007b). At the beginning of the 21st century, emotional intelligence had already gained extensive attention in general psychology (Salovey & Mayer, 1990; Goleman, 1995). Goleman (1998) defines emotional intelligence as "the capacity to recognize our feelings, and those of others, to motivate ourselves and our relationships. Emotional intelligence includes self-awareness, self-management, social awareness, and relationship management (Boyatzis et al., 2000).

The literature review shows preliminary studies to understand the impact of psychological capital and emotional intelligence on goal orientation in Sri Lanka. It is scarce find studies on this research area in the banking sector. Few research has been conducted in various other contexts (Moshtaghi & Moayedfar, 2017; Zafarmand et., 2014; Hastings & West, 2011; Culbertson et al., 2011; Gore, 2014; Cankaya, 2016, Supervía et al., 2020, Kourakou, 2018). In the Sri Lankan context, few researchers have done their research using the concepts of psychological capital, emotional intelligence, and goal orientation (Perera, 2020; Kappagoda et al., 2014, Mendis & Mendis, 2017; Praveena, 2015), but there is no reported literature on the impact of psychological capital and emotional intelligence on goal orientation of the managers in the banking sector in Sri Lanka. Therefore, the objective of this study was to examine the impact of psychological capital and emotional intelligence on the goal orientation of managers in the banking sector in Sri Lanka.

METHODOLOGY

This is a quantitative and cross-sectional study. It was conducted in a non-contrived setting. The sample was 168 managers, and data was collected using a questionnaire. A stratified proportionate random sampling method was employed to collect the data. 06, questions were used to manage the demographic data. Psychological capital, emotional intelligence, and goal orientation questionnaires were used, adopting the standard questionnaires developed by, Luthans et al. (2007b), Bennis (2003), and Attenweiler and Moore (2006), respectively. These constructs include 24, 20, and 21 questions, respectively. Based on the empirical evidence, the following hypotheses were developed.

- H₁: Psychological capital is positively and significantly correlated with goal orientation.
 H_{1a}: Self-efficacy is positively and significantly correlated with goal orientation.
 H_{1b}: Hope is positively and significantly correlated with goal orientation.
 H_{1c}: Optimism is positively and significantly correlated with goal orientation.
 H_{1d}: Resilience is positively and significantly correlated with goal orientation.
 H₂: Emotional intelligence is positively and significantly correlated with goal orientation.
 H_{2a}: Self-awareness is positively and significantly correlated with goal orientation.
 H_{2b}: Self-awareness is positively and significantly correlated with goal orientation.
 H_{2c}: Self-awareness is positively and significantly correlated with goal orientation.
 H_{2d}: Relationship management is positively and significantly correlated with goal orientation.

Considering the relationship between research variables, the following conceptual framework was proposed for this study.

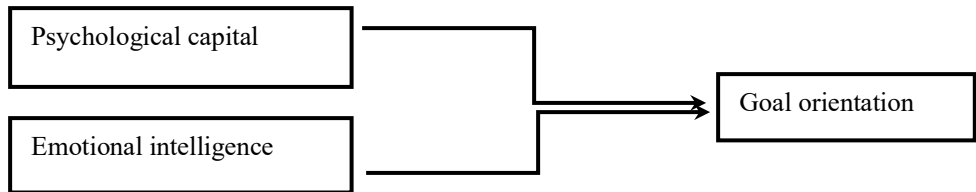


Figure 1 Conceptual Framework

RESULTS AND DISCUSSION

According to Table 1, 64% of managers represent public sector banks. Data consists of 60% and 40% male and female managers. 64% of the managers have bachelor's degrees. 47% of managers have 11 to 15 years of working experience.

Table 1 Illustration of Ownership of the Bank, Gender, Marital Status, Age, Education Qualification and Work Experience

	Variable	Total	%
Ownership of the bank	Public	108	64
	Private	60	36
Gender	Male	100	60
	Female	68	40
Marital Status	Single	58	35
	Married	110	65

Age (in years)	Less than 30	29	17
	31- 40	95	57
	41- 50	35	21
	More than 51	9	05
Education Qualification	A/L	2	01
	Professional Qualification	48	29
	Degree	108	64
	Postgraduate	10	06
Work experience	Less than 5	25	15
	5- 10	34	20
	11- 15	79	47
	16- 20	20	12
	More than 20	10	06

Reliability of each variable was tested using Cronbach's alpha. According to the results in Table 2, each reliability coefficient was higher than 0.7, indicating that internal consistency was high.

Table 2 Results of Reliability Analysis

Variable and constructs	No. of items	Cronbach's Alpha value
Psychological capital	Self-efficiency	0.899
	Hope	0.884
	Optimism	0.927
	Resilience	0.916
Emotional intelligence	Self-awareness	0.853
	Self – management	0.864
	Social awareness	0.867
	Relationship management	0.925
Goal orientation	Learning goal orientation	0.951
	Performance - prove goal orientation	0.942
	Performance - avoid goal orientation	0.951

Multiple regression analysis was used to test the impact of the independent variables on the dependent variable. According to the results in Table 3, self-efficiency ($\beta = 0.181$, $P < 0.05$), hope ($\beta = 0.169$, $P < 0.05$), optimism ($\beta = 0.183$, $P < 0.05$) and, resilience ($\beta = 0.373$, $P < 0.05$) had significant positive impact on goal orientation.

Table 3 Multiple Regression results- Psychological Capital Dimensions and Goal Orientation.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.717	0.131		20.804	0.000
SE	0.069	0.031	0.181	2.258	0.025
HO	0.088	0.041	0.169	2.145	0.033
OP	0.075	0.032	0.183	2.372	0.019
RE	0.176	0.037	0.373	4.820	0.000

The result of psychological capital dimensions on goal orientation is consistent with the literature (Kassaw & Astatke, 2017; Supervía, et al., 2020).

According to the results in Table 4, self-awareness ($\beta = 0.144$, $P < 0.05$), self-management ($\beta = 0.219$, $P < 0.05$), social awareness ($\beta = 0.373$, $P < 0.05$) and, relationship management ($\beta = 0.190$, $P < 0.05$) had significant positive impact on goal orientation. This result is consistent with the finding of Kourakou, 2018.

Table 4 Multiple Regression Results- Emotional Intelligence Dimensions and Goal Orientation.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.770	0.133		20.869	0.000
SEA	0.054	0.022	0.144	2.435	0.016
SEM	0.092	0.033	0.219	2.753	0.007
SOA	0.162	0.032	0.373	5.087	0.000
REM	0.091	0.031	0.190	2.948	0.004

According to the results in Table 5, psychological capital ($\beta = 0.502$, $P < 0.05$), had a significant positive impact on goal orientation. This result is consistent with the results found by Huang & Luthans, 2015. Also, emotional intelligence ($\beta = 0.274$, $P < 0.05$) had significant positive impact on goal orientation. This result is consistent with the literature (Supervía et al., 2020; Adiguzel, & Kuloglu; 2019).

Table 5 Multiple Regression Analysis Results of PhyCap, EI on GO

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	2.687	0.128		21.054	0.000
PhyCap	0.266	0.057	0.502	4.686	0.000
EI	0.150	0.059	0.274	2.559	0.011

According to the results in Table 6, psychological capital and emotional intelligence significantly explained 57.0% of the variance in goal orientation. There was a significant linear relationship between psychological capital and emotional intelligence on goal orientation ($F = 109.353$, $P < 0.05$).

Table 6 Model Summary of Multiple Regression Analysis Results of PhyCap, EI on GO

R	R Square	Adjusted R Square	. F Change	Sig. F Change
.755 ^a	.570	.565	109.353	.000

According to the above results, table 7 summarizes the results of the Research Hypothesis.

Table 7 Summary of Research Hypothesis

Hypothesis	Results	Explanation
H1: There is a significant positive impact of psychological capital on managers' goal orientation in North Central Province's banking sector.	Supported	Psychological capital has a significant positive impact on goal orientation.
H1a: There is a significant positive impact of self-efficacy on managers' goal orientation in North Central Province's banking sector.	Supported	Self-efficacy has a significant positive impact on goal orientation.
H1b: There is a significant positive impact of hope on managers' goal orientation in North Central Province's banking sector.	Supported	Hope has a significant positive impact on goal orientation.
H1c: There is a significant positive impact of optimism on the goal orientation of managers in the banking sector of North Central Province.	Supported	Optimism has a significant positive impact on goal orientation.
H1d: There is a significant positive impact of resilience on managers' goal orientation in North Central Province's banking sector.	Supported	Resilience has a significant positive impact on goal orientation.
H2: There is a significant positive impact of emotional intelligence on managers' goal orientation in North Central Province's banking sector.	Supported	Emotional intelligence has a significant positive impact on goal orientation.
H2a: There is a significant positive impact of self-awareness on managers' goal orientation in North Central Province's banking sector.	Supported	Self-awareness has a significant positive impact on goal orientation.
H2b: There is a significant positive impact of self-management on managers' goal orientation in North Central Province's banking sector.	Supported	Self-management has a significant positive impact on goal orientation.
H2c: There is a significant positive impact of social awareness on managers' goal orientation in North Central Province's banking sector.	Supported	Social-awareness has a significant positive impact on goal orientation.
H2d: Relationship management has a significant positive impact on goal orientation of managers in the banking sector of North Central Province.	Supported	Relationship management has a significant positive impact on goal orientation.

CONCLUSIONS AND IMPLICATIONS

Based on the findings, it can be concluded that psychological capital and emotional intelligence managers in the banking sector can be used as good predictors of goal orientation. Therefore, decision-makers are recommended to be highly concerned with these newly developed concepts and invest more to create the level of psychological capital and emotional intelligence.

Keywords: Emotional intelligence, goal orientation, psychological capital

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THE IMPACT OF WORK-LIFE BALANCE ON EMPLOYEE PERFORMANCE IN THE SRI LANKAN BANKING SECTOR

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INTRODUCTION

In today's ever-demanding work environment, many people face the problem of balancing work and family life. Despite the worldwide quest for work-life balance here on, referred to as WLB, very few have found an acceptable definition and concept. According to Ngozi et al. (2015), WLB is a critical aspect of the success of employees and organizations because employee performance has become an essential factor in accomplishing organizational goals in today's industrial world. Hence, balancing work and personal life has become challenging. There is much perceptive research on WLB and performance in Sri Lanka, where it is reported that one person out of every eight has a mental disorder (World Health Organization, 2017). The report says one of the reasons for it may be the inability of the individuals to maintain the balance between personal life and work life. WLB can benefit both the company and the individual as it can help employees feel more in control of their jobs, resulting in higher productivity and less stress. Out of the many sectors in Sri Lanka, the banking sector dominates the financial system and secures one of the highest shares of its assets in total within the financial system. (Central Bank of Sri Lanka, 2022). According to Kaushalya and Perera (2018), globalization has put a lot of pressure on organizations to achieve a competitive advantage. The banking sector is also a sector that has become very competitive, requiring employees to thrive and perform, impacting their WLB. Many scholars have used Spillover Theory Staines in 1980 with WLB. This theory assumes that people carry their values, emotions, attitudes, skills, and behaviours from one domain of life to another and that there is a similarity between what happens in the work environment and what happens in non-work environments, which is why there is a spillover between these systems (Lakshmypriya & Krishna, 2016). Hence, this theory will be used in this study to explain the theoretical gap between WLB and employee performance. Several valuable studies have been conducted on WLB and employee performance in Sri Lanka and the western world. However, fewer studies on this subject are conducted in the banking sector of Sri Lanka. As a result, there is an empirical gap in this area. Hence, to fill this existing gap, this study raises the question of how WLB impacts employee performance in the Sri Lankan banking sector. When the management of these banks maintains WLB incentives like leave policies, flexi-time, and family policies, it may also negatively affect employee performance. These factors may push some bankers to work nonstop with little regard for their personal lives and families, leading to dysfunctional families and poor parental training. Hence, the study will address specific objectives regarding leave policy, flexible work arrangement, and family responsibility to determine its impact on employee performance.

There are a few significances of this study; first, to the best of the author's knowledge, this study brings leave policies, flexi-time, and family policies together for the first time to understand WLB and employee performance by zooming into the Sri Lankan banking industry. Second, using the spillover theory, this study brings out the linkage of WLB and

employee performance, which will add to the literature in providing a deeper understanding of the impact of WLB on employee performance. Third, the study will provide practitioners with tactics and strategies to be used in organizations to improve employee performance by focusing on WLB.

METHODOLOGY

WLB is a critical aspect of the success of employees and organizations. Simply put, it is striking a balance between work and family obligations (Rebecca, 2006). The company should develop work-life balance programs while considering the company's culture and assuring employee commitment to achieve optimal employee performance (Divisekara, 2016). Employee performance improves when WLB is achieved. As previously said, it is reasonable to believe that when people balance their job and personal life duties, their work performance will improve (Melisa & Bhinekawat, 2019). Poor work-life balance will negatively affect employees' performance (Mendis & Weerakkody, 2017). Accordingly, the first hypothesis of this study is developed as follows,

H₁: There is a significant impact of work-life balance on employee performance.

Leave policies available within organizations tend to relate to the WLB of employees as it helps them balance work and family accordingly (Bernthal & Wellins, 2011). It has further been stated in this study that companies that provided leave to their employees had a significantly higher production level than companies that did not offer leaves to their employees. The provision of paid leave enhanced employee performance and satisfaction worldwide. According to this study, the condition of employee leave period enhances satisfaction and performance as it stimulates employees' nerves after relaxation to produce more and enhance a sense of employee associated with the organization. Accordingly, the second hypothesis of this study was developed as follows,

H_{1a}: There is a significant impact of the leave policy on employee performance

A flexible work arrangement is described as an alternative to the traditional working day in which employees have the freedom to choose when and where they work as long as they meet their responsibilities (Grzywacz et al., 2006). Flexi-time employees are free to decide when they start and stop their job-related work during the day, usually around a set of core hours during which each employee must be present. The scheduling tool allows full-time employees to choose their daily starting and finishing times, as long as the tasks must be completed within the specified hours. Flexible working hours are one of the strategies used to preserve work-life balance since individuals who have completed a particular amount of time can use their spare time for individual interests and fulfill their duties (Mungania, 2017). Flexible work arrangements also tend to improve employees' WLB. Flexi working arrangements offer employees convenience in planning their work, increasing their performance (Kipkoech, 2018). Accordingly, the third hypothesis of this study is developed as follows,

H_{1b}: Flexible work arrangements have a significant impact on employee performance.

Family responsibilities are defined generally by Keough et al. (2003) as the duty to look after individuals who are either formally or informally recognized as family. The demands that one

faces in home life and how they affect his work-life balance can be classified as workload demands such as shopping, housework, child care and time, family role expectations, and lack of support for the spouse (Budhwar et al., 2007). The effect of family responsibilities on employee performance was highlighted as organizations demand individual employees to devote more time to their jobs. In contrast, their families want them to carry out their responsibilities properly. Those unable to maintain a work-life balance will undoubtedly face numerous issues. Poorer family satisfaction decreased involvement in family roles, and so on. Relationship issues with children, parents, friends, and the social environment (Mugania, 2017). Accordingly, the fourth hypothesis of this study is developed as follows,

H_{1c}: There is a significant impact of family responsibilities on employee performance.

Based on the hypotheses mentioned above, the following conceptual framework is proposed.

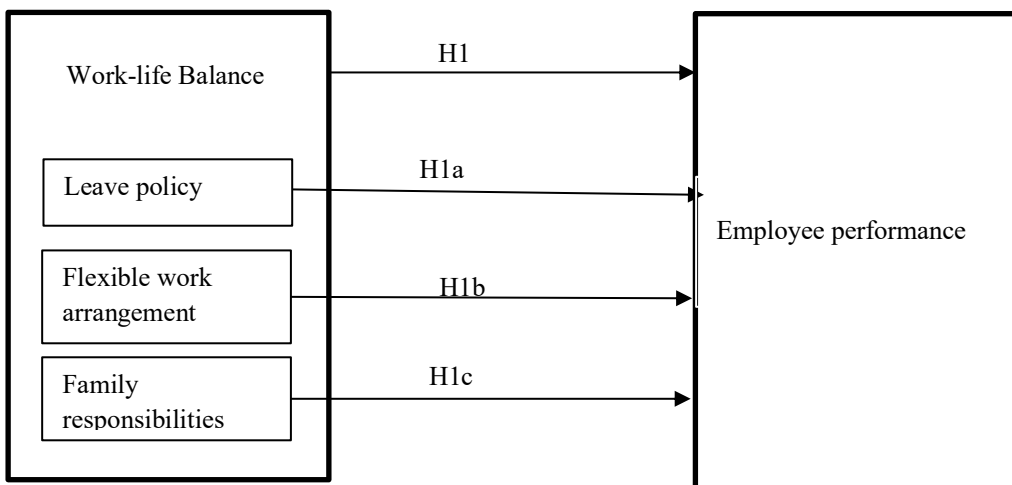


Figure 1 Conceptual Framework

This study has depended chiefly on the positivistic and deductive approach, which explained the causal relationships between WLB and employee performance, where variables were quantitatively measured and generalized research findings to a certain extent. This study used the survey method to perform this current research because questioning individuals on a topic and then summarizing their replies is the essence of the survey technique. The population in this research has been taken from middle-level employees from the banking sector in Sri Lanka. This is because the responsibility of middle managers is to ensure that key performance indicators (KPIs) and deadlines are met. After all, they work closely with the operational "engine room" staff. Middle managers are essential to maintaining competitiveness in banks since productivity needs to be kept high and consistent in operations departments and customer-service centers (Kumarasinghe & Hoshino, 2010). Hence, making their WLB very challenging. In this research, the sample consists of 150 employees. The SPSS 24 software was used for statistical analysis to evaluate the data obtained to identify the impact of the independent and dependent variables.

RESULTS AND DISCUSSION

Initially, the data was entered into the SPSS 24, and the raw data was checked for missing values. Thereafter, the reliability and validity of the measurement scales were passed, and the

demographic composition of the sample was analyzed. After testing for the multivariate assumptions of normality and linearity, the data was forwarded for the performance of parametric tests of reliability, correlation, and regression to understand the impact level and test the hypothesis.

Table 1 Reliability statistics (Cronbach's Alpha Values)

	Cronbach's Alpha	Number of items
Employee performance	0.955	9
Leave policy	0.911	7
Flexible work arrangement	0.966	9
Family responsibility	0.920	4

According to the reliability test (Table 1), Cronbach's Alpha values of all the variables meet the threshold of 0.7<, confirming the internal consistency.

Table 2 Correlation Coefficients

Variable	Employee performance	Leave policy	Flexible arrangement	Family responsibility
Correlation	0.785	0.709	0.690	0.540
Sig value	0.000	0.000	0.000	0.000

Further, the correlation coefficient is significant at a 95% confidence level as Sig (2- tailed) is less than 0.025, which is 0.000 (Table 2). According to the results, it can be concluded that there is a significant impact of leave policy, flexible work arrangement, and family responsibility on employee performance.

Table 3 Hypothesis Testing

Hypothesis	Sig Value	Reject/ Accept
H1: There is significant impact of work life balance on employee performance	0.000	Accept
H1a: There is a significant impact of leave policy on employee performance	0.000	Accept
H1b: There is a significant impact of flexible work arrangement on employee performance	0.000	Accept
H1c: There is a significant impact of family responsibility on employee performance	0.000	Accept

Based on Table 3, all the hypotheses are accepted. It could be seen based on the statistics that the impacts of all the independent variables (leave policy, flexible work arrangement, and family responsibilities) on the dependent variable (employee performance) are positive and significant.

CONCLUSIONS AND IMPLICATIONS

Theoretically, this study fills the gap and connects a link between spillover theory and employee performance because the factors that influence work-life balance are found in work and home environments. Leave policies, flexible work arrangements, and family responsibilities are all parts of these factors and contextual determinants, which in turn will impact their performance at work. Practically, the study emphasized how it is essential for the management of the banks to provide various work-life incentives that will motivate the staff to increase their productivity at work. Additionally, managers in these businesses should encourage workers to schedule their leaves at a convenient time after finishing all of their job-related tasks. Moreover, the managers of these businesses should develop leisure activities for their workers, such as sporting events, and even establish forums for family gatherings and award ceremonies for the employees. This will involve their own family. However, it is essential to state a few limitations to the study. First, when filling out questionnaires, there could be situations where the respondents were biased, resulting in not collecting the most accurate data. Second, work from home was introduced in the present context of Sri Lanka with the pandemic and economic crisis. So, employees working from home might have filled the questionnaire from the current perspective though the author wanted to have an insight into the WLB issues when working physically at banks. Conclusively, it can be stated that the study revealed that work-life balance has a considerable impact on employee performance. When an organization's employees perform well, they are given more opportunities than employees who perform poorly. As a result, employers must find new approaches to raising employee performance. Helping them prioritize their professional and personal obligations can achieve this. Employees are motivated to provide their services successfully and efficiently once this is accomplished. When workers can balance the demands of work and life, they are happy. Thus, it is worthwhile to understand that a positive relationship between the workforce and management will be fostered through management's support for work-life balance, enhancing employee performance.

Keywords: Banking sector, employee performance, work-life balance

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**WORK-RELATED SOCIAL MEDIA AND INNOVATIVE WORK BEHAVIOR:
SPECIAL REFERENCE TO GENERATION Y EMPLOYEES**

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INTRODUCTION

The lack of innovation within the country is a phenomenon observed within the corporate world. The Global Innovation Index (2021) of Sri Lanka reports that the country's innovation level is low compared to 2015. When exploring the reasons for the low innovation within the country, it identifies that the lack of innovative work behaviour of employees within the corporates is one of the main reasons. Yuan and Woodman (2010) define employee creative work behaviour as the development, adoption, and implementation of new ideas for products, technologies, and work methods by employees. To improve innovative employee behaviour, the factors that could influence this must be considered.

Users rely on social media platforms to learn about their communities, businesses, politics, lifestyles, and for sheer amusement. For instance, President Donald Trump and former President Barack Obama have shared updates on national policies and forthcoming events via various social media platforms, particularly Twitter. People first used social media platforms like Facebook, Twitter, Instagram, and LinkedIn to share their experiences. They share product reviews, details about service, dietary or health-related advice, product cautions, usage hints, etc., as consumers. Due to the high number of "connections" people have on social media, this information starts to impact customers and their purchasing decisions.

When identifying these factors, work-related social media could be considered as one of the factors which could influence innovative work behaviour. Previous studies have claimed that work-related social media influences creative work behaviour. The work-related social media means that workers might use social media in the workplace to locate information relevant to their jobs or to learn new skills they can utilize while on the job. When analyzing social media usage, Sri Lanka Digital reports that 36.8% of the population are social media users. Moreover, Generation Y is considered the most active people in technology compared to other age groups. Therefore, it creates a requirement to identify the influence of work-related social media on innovative employee behaviour within generation Y. Thus; the current study examines the impact of work-related social media usage on employees' innovative work behaviour regarding generation Y segmentation.

The current study attempts to make several empirical and managerial implications. As per the researcher's knowledge, the studies conducted on the relationship between work-related social media and innovative behaviour within the Sri Lankan context are scant. Moreover, previous studies have identified that the influence of work-related social capital on employee creative work behavior needs to be validated in a different context. From a managerial perspective, the current study attempts to provide initiatives to managers concerning the utilization of work-related social media to promote innovative employee work behaviour.

METHODOLOGY

"Innovative work behaviour is an individual behaviour that intentionally introduces new and useful ideas, work processes, products and procedures in the workplace" (Siregar et al., 2019). When considering how to promote innovative work behaviour within the workplace, according to Business Victoria, managers can assist people in being more productive by establishing a workplace culture that encourages innovative thought and action, such as making innovative core values within the organization, hiring employees within different perspectives and give time and space to employees for generating and discuss openly and come up with new ideas. Furthermore, it has been identified that creating innovative work behaviour within the organization helps to increase competitiveness by offering a higher quality of products at a low cost. Moreover, they emphasize that identifying factors that affect innovative work behaviour is essential.

In identifying these factors, work-related social media is considered one possible factor. Social media is an emerging digital communication channel that provides a user-oriented information sharing platform where any people can generate or access information material as both an information supplier and consumer. McDermid (2022) identified specific types of social media tools that employees can use in their workplace, such as; content curation tools, social media scheduling apps, content creation tools, and the most important tool is social media analytic tools which is the most popular social media tool in current society. Employees can maintain a specific number or an ultimate number of audiences through these platforms.

They are using social media can make communication between people more accessible, regardless of distance. Most employees use social media mainly to take mental health breaks from the continuous workload. It helps to improve employee engagement. It may assist boost cohesiveness and team bonding in the company because it is a more natural manner of making relationships. "Millennials" have transformed how we think, work, and interact. Considering the above factors, it can conclude that these social media platforms play a massive role with every employee to make their life more productive and smoother. Thus, the previous literature has attempted to identify the influence of Work-related social media on employees' innovative work behaviour.

The previous empirical studies identify a relationship between Work-related social media usage and employees' innovative work behaviour (Bodhi et al., 2022). Past studies revealed that employees' ability to generate, obtain and share information is encouraged by their usage of social media, which improves their innovative work performance. Further, it was identified that to enhance employees' effectiveness and productivity, they must have the ability to generate new ideas through social media platforms. Social media platforms enhance employee creativity in the workplace (Liu et al., 2018). Therefore, based on the empirical evidence, it can be proposed that there is a significant impact of work-related social media on employees' innovative work behaviour with particular reference to generation Y. Hence, the below hypothesis is advanced.

H₁: There is a significant impact of work-related social media on innovative work behaviour.

Based on the above-advanced hypothesis, the below conceptual framework (Figure 1) is constructed.

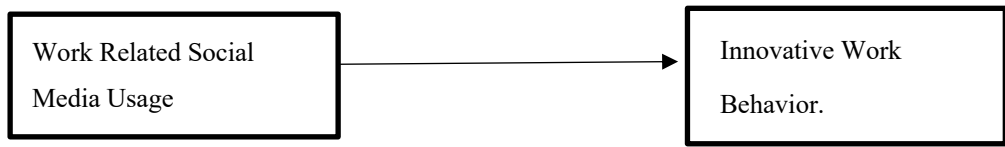


Figure 1 Conceptual Framework

This research was designed under the positivism philosophy and deductive research approach. The study's unit of analysis was individual, and a convenience sampling technique was used. The quantitative survey research method is deployed for the current study. The sample size considers 160 employees who work in any organization representing the generation Y segment. A self-administered standard questionnaire was developed to collect data from the respondents. The data was collected through an online platform, and it was measured by the tool IBM SPSS software (25 versions). The questionnaire was made using Microsoft Excel 2018.

RESULTS AND DISCUSSION

The majority of the sample consists of females, 51.9%, whereas the rest is males. Moreover, 53.1% of the sample are undergraduates, while the minority comprises 8.1% of secondary education. Approximately 30.6% of the sample spends on social media from 2 hours – 4 hours. In addition, WhatsApp and Facebook are the two leading social media types users utilize. The data was tested based on reliability, validity, and linearity to ensure the study's accuracy. According to the study, Cronbach alpha values of work-related social media usage and innovative work behaviour are 0.820 and 0.854, respectively. These values are higher than the benchmark value, 0.7, and it can be concluded that the measurement items used in the questionnaire are reliable.

The hypothesis of the study was tested by carrying out a regression analysis. The R square value is 0.193 at the 99% confidence level. Thus it can be concluded that when Work-related social media usage increase by 100%, innovative work behaviour increase by 19.3% at a 99% confidence level. Thus, it can be concluded that there is a significant positive impact of Work-related social media on innovative work performance, with particular reference to generation Y. Moreover, these findings align with the previous Work (Bodhi et al., 2022; Liu et al., 2018).

CONCLUSION AND IMPLICATIONS

The current study attempts to identify the reasons for the lack of innovations within the Sri Lankan context. The current study identifies a significant impact of Work-related social media on innovative work behaviour. Moreover, this study contributes to the organisational context in identifying the importance of Work-related social media to improve employees' innovative behaviour.

The organizations could initiate activities to enhance the employees' innovative work behaviour. The managers should encourage the staff to utilize social media for Work-related activities by scheduling meetings to discuss work-related matters, exchanging work-related documents through social media platforms, etc. Further, it has been identified that the

engagement of workers on social media enhances employee and stakeholder competitiveness. Finally, the current study recommends improving the usage of social media in organizations to increase the level of innovative work behaviour of the employees.

Keywords: Generation Y, innovative work behaviour, work-related social media usage.

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Information Systems

**DETERMINANTS OF CUSTOMER RETENTION IN THE MOBILE
TELECOMMUNICATION INDUSTRY IN NORTH THE CENTRAL PROVINCE
OF SRI LANKA**

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INTRODUCTION

The telecommunication industry is one of the fast-growing service sectors in Sri Lanka. According to the annual report of the Central Bank of Sri Lanka (CBSL) 2019, it has recorded a sustained increase in telephone and internet connections during the year 2019. According to the Telecommunication Regulatory Commission of Sri Lanka (TRCSL), nine service licenses were granted, including fixed and cellular telephone services, data communications, mobile radio, international operators, cable and satellite services, and infrastructure services (TRCSL, 2019). The current mobile and fixed telephone operator services structure includes four mobile and three fixed telephone operators. According to the Central Bank of Sri Lanka, Mobile telephone penetration (Connections per 100 persons) increased to 143.6 by the end of the Year 2017 and rose to 150.8 by the end of the Year 2019 (CBSL, 2019). Compared to the other countries in the region, in 2015, Bangladesh had 83.36 per 100 persons, China 93.16 per 100 persons, India 78.84 per 100 persons, and Sri Lanka recorded 112.83 per 100 persons (Mannan et al., 2017). The mobile telephone service market in Sri Lanka has shown rapid growth during the last few years; mobile services subscriptions have increased at a higher level while fixed phone subscribers were decreasing (TRCSL, 2019). This indicates that the mobile telecommunication industry is growing faster than the fixed telephone. Mobile phones are one of the significant technological instruments of the modern consumer market. People use mobile phones for voice calls and various purposes such as short message service (SMS), mobile games, entertainment, and access to the internet. It has several advanced applications that can be accessed for different transactions like financial services (mobile banking, online trading, bill payment), pleasure (YouTube, iTunes), Social Networking (Facebook, Twitter), and information services (news alert, weather), etc. Due to the fast growth of the mobile telecommunication system the mobile phone has become personal equipment, which integrates day to day activities of people

Customers can select a mobile phone service provider as their preference or switch mobile service providers anytime. This sector has high competition, with 32.9 million mobile telephone subscribers recorded in 2019 for the 21.8 million population up to mid-Year 2019 (CBSL, 2019). With the development of the mobile communication system, customers can switch from one operator to another if the current service provider does not fulfill their expectations (Adikari et al., 2008). By exploring determinants of customer retention toward the mobile phone service providers, it can be identified the customer expectation and requirements which practical to retain the existing customer and acquire potential customers

from competitors. This study explores the determinants of customer retention in mobile phone service providers by selecting users from North Central Province in Sri Lanka. This study is expected to give a great understanding of the behaviors of customers using mobile phone services in the area. The findings may help the relevant decision-makers to increase customer retention and expand their business in the future.

METHODOLOGY

This section briefly introduces how the study was carried out technically. Four independent variables have been identified: service quality, switching cost, price fairness, and customer satisfaction. Customer retention has been determined as the dependent variable. The study was designed based on the relationship between independent and dependent variables. Four hypotheses were developed to test the relationship depending on the variables. The study population is mobile phone service customers in North Central Province, Sri Lanka. The data was gathered from mobile phone service customers in North Central Province, Sri Lanka. The sample size is 400, and systematic and simple random sampling methods were applied. Ninety-two percent was reported as the response rate. The unit of analysis is mobile phone service customers. Data was collected through a structured questionnaire, and collected data were fed to the SPSS version 21.0 software package to perform the analysis. Very first, a simple descriptive analysis was conducted to check the response rate and get an idea of the sample's demographic characteristics. Reliability and validity tests were conducted to assess the goodness of the instruments. The Independent sample t-test and Analysis of Variance (ANOVA) were used to identify the difference in mean value between a dependent variable and demographic characteristics. Finally, Correlation Analysis and Multiple Regression Analysis were performed to test the study's hypotheses.

The following hypotheses were constructed based on theoretical and empirical evidence.

- H1: There is a significant impact of service quality on customer retention in the mobile service industry in North Central Province.
- H2: There is a significant impact of switching costs on customer retention in the mobile service industry in North Central Province
- H3: There is a significant impact of price fairness on customer retention in the mobile service industry in North Central Province
- H4: There is a significant impact of customer satisfaction on customer retention in the mobile service industry in North Central Province

RESULTS AND DISCUSSION

According to the t-test analysis (M- 3.71 & F- 3.33), males tend to be with existing service providers more than females. The ANOVA results (F- 16.515 & P- 0.00) reported that different age groups have different retention habits. It can be identified the different retention habits according to the education (F- 6.537 & P- 0.00) and employment (F- 9.273 & P- 0.00) of the respondents. Income (F- 0.953 & 0.431) does not course for different retention styles. Correlation analysis reveals that all independent variables positively correlate with the dependent variable. Thus, all hypotheses were supported. Service quality demonstrates the highest positive Correlation (0.697) with customer retention, and customer satisfaction demonstrates the lowest positive Correlation (0.507). These results explained that service

quality has the highest relationship with customer retention and customer satisfaction has the lowest relationship with customer retention of Mobile Phone Service providers in North Central Province, Sri Lanka.

Table 1 Results of regression analysis

Coefficients		Unstandardized		Standardized	
		Coefficients		Coefficients	
Model	B	Std. Error	Beta	t	Sig.
1 (Constant)	.006	.195		.031	.975
Customer Satisfaction	.132	.047	.125	2.777	.006
Service Quality	.660	.064	.490	10.235	.000
Price	.111	.048	.125	2.294	.022
Switching Cost	.140	.056	.122	2.511	.012
R ² – 0.268					

a. Dependent Variable: Customer Retention

Results of the multiple regression analysis (Table 1), The R-Squared value for the result is 0.268, suggesting that the model can explain about 26% of the variation in the dependent variable. Furthermore, the dependent and independent variables have a statistically significant relationship (p-value: 0.000). This suggests that there is no reason to reject the validity of the fitted model at the 95 percent or higher confidence level. Service quality has been found to have the highest impact (0.660) on customer retention rather than price fairness, switching cost, and customer satisfaction. In addition, service quality has a strong direct relationship with customer retention. A positive relationship between service quality and customer retention has also been proven by a study conducted in England examining telephone customer retention (Ranaweera & Neely, 2003). The study of Rahman et al. (2010) also found that the relationship between service quality and service quality contributes to the long-term relationship and customer retention. The study of mobile service providers in India found leads the firm to differentiate from its competitors, and service quality makes satisfied customers, which leads to retention of existing customers (Edward & Sahadev, 2011). A recent study also found that service quality positively impacts customer retention in the mobile telephone industry. Further, with regression results, the B value of Service Quality, Switching Cost, Customer Satisfaction, and Price Fairness are 0.660, 0.140, 0.132, and 0.111, respectively. Thus, the highest impact on customer retention is founded on service quality, and Switching Cost, Customer Satisfaction, and Price Fairness have followed the sequence. According to the study's data analysis, switching costs found a significant and positive relationship with customer retention. The correlation analysis and regression analysis results indicate that switching cost has a direct and moderate relationship and a positive impact on customer retention. A study by Edward and Sahadev (2011) also found that switching costs positively and directly affect customer retention in mobile service providers in India. Ranaweera and Prabhu, 2003 also found that switching cost influence customer retention in fixed-line telephone users in the UK. Another study found that switching costs affect customer retention partially in the Indonesian cellular market (Amanah et al., 2021). The study on Pakistan telecommunication also found a positive relationship between switching costs and customer retention (Danish et al., 2015). Customer satisfaction is also a significant and positive relationship with customer retention. The correlation analysis and regression analysis results

indicate that customer satisfaction has a comparatively low impact on customer retention. A study conducted by Parawansa (2018) found a positive relationship between customer satisfaction and customer retention in Rural Bank in Makassar, Indonesia. Another study found that relationship between customer satisfaction and retention with strong predictive power in the hotel industry in Ghana (Adzoyi et al., 2019). Boora (2020) also found that higher impact on the relationship between customer satisfaction and customer retention in the mobile telephone industry. Also, the result found that Customer Satisfaction as the mediation effect between Service Quality and Customer Retention. Hossain et al. (2017) also found customer satisfaction to be a key determinant or antecedent for customers' propensity or willingness to retain their existing telecommunication service. A study conducted in the Gahanna telecommunication sector discovered a negative relationship between customer satisfaction and customer retention (Ocloo & Tsetse, 2013).

According to the study's results, price fairness has also found a significant and positive relationship with customer retention. According to the data, price fairness lowly impacts customer retention in mobile service providers in North Central Province in Sri Lanka. A positive relationship between price fairness and customer retention was also identified in the Bangladeshi telecommunication sector (Hossain et al., 2017) and the Malaysian mobile phone service sector (Rahman et al., 2010). According to the study, service quality, customer satisfaction, switching cost, and price fairness positively influence customer retention. Therefore, all four determinants examined in the study have proven a positive relationship with customer retention. These determinants can be recognized as courses for customer retention with mobile service providers.

CONCLUSIONS AND IMPLICATIONS

The conclusion of this empirical study is based on all aspects of the findings through data analysis and literature in the research area. The researchers have identified four determinants through past literature. The finding proved that all service quality variables, price fairness, switching cost, and customer satisfaction were determinants of customer retention of mobile phone service providers in North Central Province, Sri Lanka. Therefore, by concerning all four determinants, mobile phone service providers can enhance customer retention and reduce the switching of existing customers from one operator to another. According to the analysis, service quality significantly impacts customer retention. In contrast, price fairness and switching cost have a moderate relationship with customer retention, and customer satisfaction has demonstrated a low impact. This elaborates that customers who use mobile phone services in North Central Province, Sri Lanka are more concerned with service quality aspects other than price fairness, switching cost, and customer satisfaction. Price fairness found a low impact and moderate relationship with customer retention. That indicates that the price factor is moderately considered when deciding to retain an existing service provider, but it has a low impact on that decision. Switching cost was also founded to be a moderate impact on customer retention, and the result manifests that creating switching costs caused to increase the customer retention. However, the impact on the decision is low. Customer satisfaction has founded to be a comparatively low relationship with customer retention and a low impact on the decision, which indicates customer satisfaction along with not establishing customer retention and every satisfied customer not willing to keep their service provider. According to the study, customer retention is not affected by gender. That means gender is not essential for customer retention of mobile phone service providers in North Central Province. Income level is also founded as

no difference between income groups in customer retention. This emphasizes that customer retention is not affected by the income level of customers.

Keywords: Customer retention, customer satisfaction, price fairness, switching cost, service quality

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EFFECT OF THE QUALITY OF ACCOUNTING INFORMATION SYSTEM ON FINANCIAL PERFORMANCE OF LISTED COMPANIES IN SRI LANKA

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INTRODUCTION

The world has seen significant technological advancements in the last ten years, including in the accounting field. As a result, many business organizations worldwide rely on information technology. The use of computer-based information systems has become more prevalent due to the advent of such an IT-led era (Elsharif, 2019). In accounting and finance, computer software has replaced manual financial reporting to enable prompt reporting, simple processing, and storage of financial information. Accounting software has also made it simpler to prepare and access financial statements and to use accounting procedures. According to studies, a company's financial outcome is always determined by how much it invests and can improve its Accounting Information Systems (AIS) (Ababneh & Alrabei, 2021). AIS adheres to a high-quality level; it can increase the satisfaction of information system users and lead to the generation of more valuable data (Meiryani & Susanto, 2018). Quality measures how well a project's final product satisfies the management's goals. The effectiveness of information system initiatives is typically measured by how well they facilitate decision-making and organizational performance. The accuracy, timeliness, and usability of the new system's information are also reflected in its quality (Fitrios, 2016). The criteria for qualified AIS information must be accurate, relevant, timely, complete, and capable of changing decision-making following user objectives and problems (Sari & Purwanegara, 2018). Companies that comply with qualified AIS and can afford to implement certain technological developments have demonstrated a high level of financial performance (Cheruyot et al., 2014). Financial performance is "an organization's financial health, ability and willingness to meet long-term financial responsibilities, and commitment to offer services soon (Ganyam & Ayoor, 2020). Although many research studies have been conducted in the Sri Lankan context on various topics or problems related to AIS used by various organizations in Sri Lanka, most of them limited their scope to the different applications of AIS. As a result, studies on the quality of AIS are desirable to carry out (Nijam & Athambawa, 2018). According to recently reported evidence from Sri Lanka has reviewed the value relevance of AIS (Ababneh & Alrabei, 2021). In Sri Lanka's banking industry, it was looked at how user competence affected the success of the AIS. According to findings, AIS has a favorable impact on the financial performance of Sri Lankan listed companies. Sri Lankan manufacturing has also been looked into (Kariyawasam, 2016). It concluded that there is a significant correlation between financial performance and the quality of the AIS. Naturally, the power of global information technology development is growing, and companies in both the public and private sectors have significantly expanded their investment in AIS. However, most information systems projects fail, and those often have significant failure rates that adversely affect organizations' financial performance, like financial losses and other dangers (Al-okaily et al., 2020). System quality did not significantly impact financial performance in the context of this research. The study

conducted by Pratama et al., (2021) on the other hand, argues that AIS have no impact on enhancing financial performance. By paying particular attention to listed firms in Sri Lanka, the study provides a more in-depth knowledge of the quality of the AIS for financial performance. The study will contribute significantly to understanding how listed firms are run and workers' productivity for owners and stakeholders. There are certain limitations to this study that the researchers have noted. The study was limited to investigating the effect of AIS Quality on the Financial Performance of 165 listed companies out of 296 listed on Colombo Stock Exchange. This research can also be applied to companies not listed on the Colombo Stock Exchange. Further, evaluating the financial performance of 165 companies is not enough as a sample.

METHODOLOGY

This methodology part describes the conceptual framework, hypotheses, population and sample of the study, data collection, and data analysis methods used in this study.

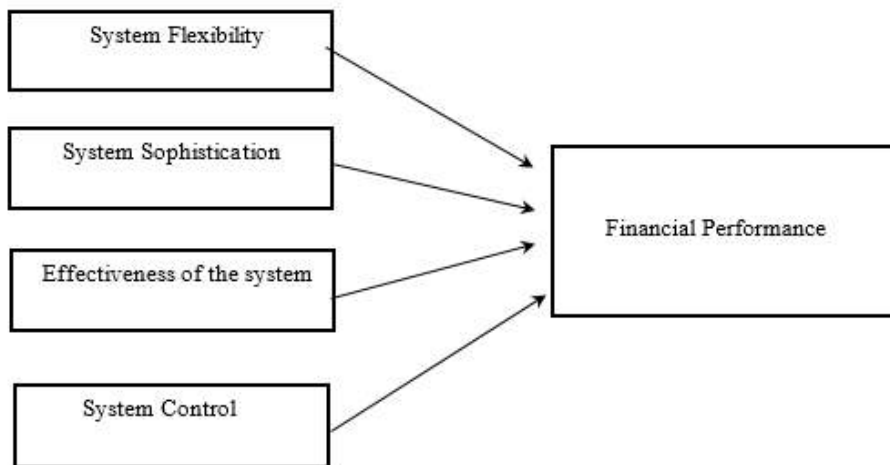


Figure 1 Conceptual Framework

According to Figure 01 conceptual framework, the conceptual model was constructed based on literature and previous studies. Independent variables of this study are System flexibility, System Sophistication, System Effectiveness, and System Control. All of which are AIS quality aspects. The dependent variable of this study is Financial Performance. Financial performance is measured by Changes in sales, Changes in profit, and Changes in cost. This study aims to determine the impact of AIS quality on financial performance.

Based on the previous researcher's literature following hypotheses were developed.

H₁: There is a significant effect of system flexibility of the Accounting Information System on the financial performance of Listed Companies of Sri Lanka.

H₂: There is a significant effect of system sophistication on the financial performance of listed companies in Sri Lanka.

H₃: There is a significant effect of the system's effectiveness on the financial performance of Listed Companies of Sri Lanka.

H₄: There is a significant effect of system control of the Accounting Information System control on financial performance.

Additionally, the researcher has developed the following model to test the hypotheses.

$$Y = \alpha + \beta_1 SF + \beta_2 SS + \beta_3 ES + \beta + \varepsilon$$

The researcher intends to conduct this study using primary data. Primary data will be obtained from a structured questionnaire. The researcher collects necessary data and information for the research by speaking directly with the Accounting Head, Manager, Financial Manager, or Financial Head of selected companies and submitting Google Forms to them via email. This study's population identifies all the companies listed on the Colombo Stock Exchange. According to the Colombo Stock Exchange, the Stock Exchange of Sri Lanka has 296 companies' listed under twenty (20) business sectors in the stock exchange of Sri Lanka. The Stratified Random Sampling method was selected as this study's sample. This research study recommends the sample size as 165 companies listed under Colombo Stock Exchange (CSE) under twenty business sectors. This sample represented all the companies that are listed under various business sectors. The minimum sample sizes required from different populations gave 95 percent confidence for margins of error. This study population 296 listed companies according to 95 percent confidence level 165 companies of listed companies can consider as a sample.

RESULTS AND DISCUSSION

In this study, Cronbach's alpha value for all variables is more significant than 0.7. Therefore, all data are reliable and accepted in the stability and consistency of the variables.

Table 1 Correlations

	SF	SS	ES	SC	FP
SF	1				
SS	0.325**	1			
ES	0.405**	0.680**	1		
SC	0.378**	0.574**	0.744**	1	
FP	0.303**	0.494**	0.553**	0.413**	1

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

According to Table 1, System flexibility, System Sophistication, and System Control have a moderate positive relationship, and the system's effectiveness has a strong positive relationship with the financial performance at a 0.01 level.

Table 2 Results of Regression Analysis

Model	Unstandardized Coefficients		Standardize d Coefficients	T	Sig.
	B	Std. Error			
(Constant)	0.729	0.495		1.472	.143
System Flexibility	0.128	0.107	0.085	1.202	.231

System Sophistication	0.284	0.116	0.217	2.443	.016
Effectiveness of the System	0.484	0.131	0.404	3.685	0.000
System Control	0.053	0.117	0.044	0.451	0.652

Dependent Variable: Financial Performance

Table 3 Regression Analysis: Model Summary

R	0.582 ^a
R Square	0.338
F	20.462
Sig	0.000 ^b

In the above result, the R-value of 58.2% of the financial performance of the listed companies was described by the independent variables taken, and other factors beyond the study describe the remaining 42.8% of financial performance. R square value is 0.338, implying that 33.8 percent variation in financial performance is explained by the independent variables considered in this study. The f value is 20.462, and the significant value of 0.000 implies that the regression model fits the data. As per the results of multiple regression analysis, coefficient values imply a significant positive effect of System Sophistication and Effectiveness of the System on financial performance at a 0.05 level of significance. The result is similar to those (Nguyen & Nguyen, 2020). Researchers concluded that a more sophisticated system positively influenced the firms' overall performance and quality. Further, Shagari et al., (2017) and Ahmed et al., (2021) noted that an effective AIS positively influences organizations' financial performance and quality reporting. Further, there is no significant effect of system flexibility and system control on the financial performance of listed companies in Sri Lanka at a 0.05 level of insignificant. When comparing previous literature reviews, it is clear that the AIS used in service companies for achieving financial data quality. Further AIS security breach incidents have grown significantly over the past few years. As a consequence, business organizations can suffer enormous financial losses.

CONCLUSIONS AND IMPLICATIONS

The general objective of this research was to identify what are effects of the quality of the AIS on the financial performance of listed companies in Sri Lanka. The study results show that System sophistication and effectiveness significantly affect the financial performance of listed companies in Sri Lanka, and system flexibility and system control have no significant effect on the financial performance of listed companies in Sri Lanka. Based on the study results, the researcher recommends maintaining the highest levels of AIS quality by keeping pace with the latest developments in the fields, such as System Sophistication and Effectiveness of the System. Therefore, maintaining a high level of AIS quality will be an advantage in raising the financial performance of listed companies in Sri Lanka.

Keywords: Financial performance, listed companies, the quality of accounting information system

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**FACTORS INFLUENCING TO STUDENTS' ACADEMIC PERFORMANCE
TOWARD ONLINE EXAMINATIONS IN SRI LANKAN STATE UNIVERSITIES
DURING THE COVID-19 PANDEMIC**

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INTRODUCTION

The COVID-19 pandemic has created the most significant education system collapse in history (Giusti et al., 2020). Therefore, online platforms were introduced as a solution to the learning-teaching process (Rizun & Strzelecki, 2020). The pandemic has hit schools and universities, and E-learning is spreading fast. Universities worldwide have successfully faced this situation and have gone digitalization (Dhawan, 2020). Under these circumstances, activities such as conducting online exams, continuous assessments, and online lectures are being restructured through E-education. Planning online exams has become essential to measure the continued performance of students in universities. Online examinations conduct without the physical participation of both the instructor and the students in one place (Muzaffar et al., 2021). Most researchers argue that developing countries face a lack of infrastructure facilities, such as a lack of stable network platforms, a lack of high-speed network connections, and financial problems (Atoum et al., 2017). Computer literacy of students also affects to performance of online examinations. Some students do not have a good level of computer literacy. Therefore, students with low computer literacy face challenges in taking online exams and quizzes. This condition also affects special-needs students (Gamage et al., 2020). Furthermore, students face various difficulties presenting their assignments through LMS (Gamage et al., 2020). To maintain the efficiency of online exams, various tools and techniques have been developed (McCoy et al., 2015). Researchers state that the psychological and emotional effects of COVID-19 gradually increased in various forms (Roy et al., 2020). Approximately 1.6 billion students in more than 190 countries and on all continents have been affected by COVID-19 pandemic. Closing schools and other learning institutions has affected 94 percent of the world's student population (Giusti et al., 2020). As a result, higher education institutions are turning their attention to online platforms. Therefore, students and teachers face many problems because they suddenly transferred to an online platform (Arora et al., 2021). Researchers state that it is necessary today to review the latest online exam progress, essential features that are difficult to find in the literature (Butler-Henderson & Crawford, 2020). When evaluating previous studies, there is a gap between actual performance and existing performance of online examinations of university students. Under these circumstances, Sri Lankan university students face online examinations with many facilities and difficulties that affect their performance. Accordingly, there is a problem "What is the level of factors influencing students' performance toward online examinations during COVID-19?" This research will help to measure the effectiveness of the online exam and the online teaching and learning process of Sri Lankan state university students during COVID-19 and the factors affecting them. The finding could be used to make practical online exams in the future to enhance student performance. The results of this study will benefit not only the state universities but the private university system and the entire education system.

In the University system of Sri Lanka, there are 17 universities governed by the University Grants Commission and other private universities. However, this study considered only state university undergraduates. It may not be enough to get a response from the student's point of view alone for the research. A large number of factors affect the performance of students' online examinations. However, only a few factors were considered in this study. Moreover, there are only a handful of literary reviews to find here, as researchers have been focusing on COVID-19 research in recent times. The main objective of this study is "to identify the level factors influencing students' performance toward online examination in Sri Lankan state university during COVID-19". Specific objectives are "to identify the level of IT infrastructures, examination organization, psychological conditions, computer literacy and learning environment effect on the student's performance toward online examination in Sri Lankan state university during COVID-19".

METHODOLOGY

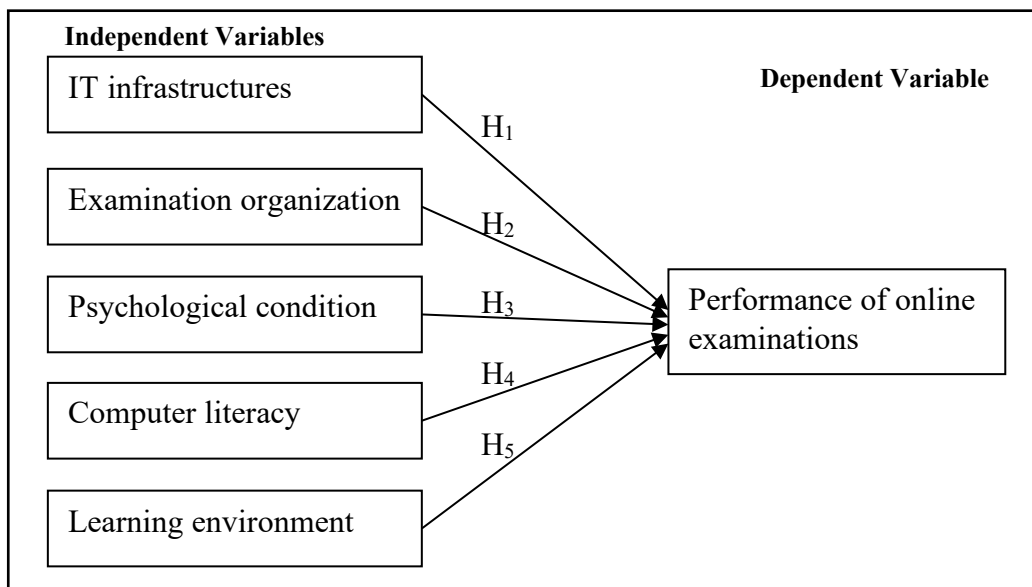


Figure 1 Conceptual Framework

Based on the previous researcher's literature, the following hypotheses were developed.

H₁: There is a positive effect of IT infrastructures on Sri Lankan state university undergraduates' online examination performance during COVID-19.

H₂: There is a positive effect of examination organization on Sri Lankan state university undergraduates' online examination performance during COVID-19.

H₃: There is a negative effect of psychological conditions on Sri Lankan state university undergraduates' online examination performance during COVID-19.

H₄: There is a positive effect of computer literacy on Sri Lankan state university undergraduates' online examination performance during COVID-19.

H₅: There is a positive effect of the learning environment on Sri Lankan state university undergraduates' online examination performance during COVID-19.

The approach of this research is the deductive approach, where the known fact is applied in to narrow scope. This is basic research and explanatory research that continues to examine the relationship among the factors available in the literature. The time horizon of this study is cross-sectional survey research as it gives several outcomes through a single period. Methodology of the study refers to justifying the primary object of the study by quantitative method, whereby research hypotheses are empirically verified. The population of this study is all state university undergraduates in Sri Lanka. There are seventeen state universities have been established under the authority of the University Grants Commission Sri Lanka. For this study, the researcher selected 384 out of a population (all Sri Lankan state university students) from the University of Kelaniya, University of Moratuwa, and Rajarata University using the cluster and simple random sample technique. Furthermore, the researcher used structured online questionnaires as the primary data source for data collection and used journal articles, magazines, websites, reports, and books as secondary data sources. The researcher analyzed data using the Statistical Package for Social Sciences (SPSS). Both descriptive statistical techniques (including; mean, standard deviation, and skewness) and inferential statistic techniques (analysis of coefficient correlation and simple linear regression analysis) are used to analyze the data gathered from the questionnaire.

RESULTS AND DISCUSSION

The reliability test checks the internal consistency of the constructions used to measure the leading independent and dependent variables. The value of all independent variables was between 0.706 – 0.867. Accordingly, all the independent variables have more than 7.0 Cronbach's Alpha value that fulfills the appropriate accepted level of the reliability test. Furthermore, the researcher has done descriptive analysis to identify the essential nature of the research variables by calculating the Mean, Standard Deviation, and the Skewness of the dependent and independent variables. According to the descriptive analysis, the mean values of the variables range from 1.7505 to 4.31, and overall mean values are relatively high except for psychological conditions. It was 1.7505 psychological conditions, and all other variables were 3.98 to 4.31. SD values range from 0.33 to 0.75. However, all variables are negatively skewed except learning environment and psychological conditions. Finally, five hypotheses were tested to investigate the effect of the independent variable on the dependent variable using correlation analysis and regression analysis. Accordingly, the results of correlation analysis and regression analysis to check hypotheses can be summarized in the following table.

Table 1 Correlation and Regression Analysis

Variable	Correlation Analysis		Accept Or Reject	Regression Analysis		Accept Or Reject
	Pearson Correlat- ion	Sig. Value		Coefficie nts (Beta)	Sig. Value	
IT infrastructure	0.362	0.000	Accept	.015	.751	Reject
Examination Organization	0.489	0.000	Accept	.194	.011	Accept
Psychological Conditions	-0.381	0.000	Accept	-.211	.001	Accept

Computer Literacy	0.468	0.000	Accept	.238	.004	Accept
Learning Environment	0.510	0.000	Accept	.722	.000	Accept

According to regression analysis R^2 value implies that 43% of the factors affecting students' online examination performance by IT infrastructure, examination organization, psychological conditions, computer literacy, and learning environment. Accordingly, 57% percent of students' performance in online examinations is decided by other factors which are explicit to the study. Pearson's correlation analysis accepted all hypotheses (H_1 , H_2 , H_3 , H_4 , and H_5). The Sig value of all variables is less than 0.05 in correlation analysis. Furthermore, the regression analysis concluded that only IT infrastructure (H_1) did not significantly affect students' performance in online examinations in Sri Lankan state universities during COVID-19 because the sig value was more than 0.05.

CONCLUSIONS AND IMPLICATIONS

COVID-19 has severely affected university education in Sri Lanka, and the university system resorted to online examinations. This research mainly focused on investigating factors influencing students' performance toward online examinations in Sri Lankan state universities during COVID-19. Accordingly, IT infrastructure, examination organization, psychological conditions, computer literacy, and learning environment were tested as factors that affect students' online exam performances. According to the results of regression analysis, it can be seen that examination organization, psychological conditions, computer literacy, and learning environment significantly affect Sri Lankan State university students' online examination performance during the COVID-19. Therefore, universities should design effective online examination systems, and UGC should investigate their effectiveness. Furthermore, results show that students learning environments and psychological conditions significantly affected students' online examination performance during the COVID-19. It will be difficult for the university administration to control this effect because students are in their homes during the pandemic and do examinations in their places. However, research results showed a significant effect on that. Also, computer literacy has a significant effect on students' online examination performance. If some students do not have good computer literacy, that can affect their performance. Therefore, it shows that should give proper training to students. Taking care of these factors will help students increase their online examination performance and implement adequate online examinations in the future.

Keywords: Computer literacy, examination organization, IT infrastructure, learning environment, online examination

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FACTORS INFLUENCING TO THE RETENTION OF END CUSTOMERS IN THE MOBILE TELECOMMUNICATION INDUSTRY

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INTRODUCTION

This study intends to investigate how factors including service quality, brand image, switching costs, and trust affect customer retention and examines all mobile phone usage in Sri Lanka. Further, the mobile telecommunications sector has substantially expanded since the 1990s (Mazzoni et al., 2007). However, due to the competitive nature of the present industry, mobile service providers are increasingly finding it difficult to grow and sustain their consumer base (Vu et al., 2021). The telecommunication business appears unending, and the increased demand for mobile phone systems generates a global market (Hossain, 2013). The telecom business appears unending, and the increased demand for mobile phone systems generates a global market (Hossain, 2013). This study's findings and suggestions will be valuable to other researchers, businesses in the mobile telecommunications sector, and informed individuals working with the general public. Additionally, it is still under investigation why consumers in this sector choose to stay with one cell network over another. As a result, there is a gap in customer retention. There are four criteria to take into account in this study as constraints. In addition, vital factors like pricing, service fairness, and staff loyalty affect customer retention. According to Waterbury (2018), considering the competitive nature of the market and the maturity of the mobile telecommunications market, retaining customers has been a critical factor for the success of the mobile telecommunications industry, and Mobile Number Portability (MNP) has a significant impact on customer transfer behaviour. Furthermore, it is a well-known fact that any corporation should be concerned about clients switching to another company because selling to existing customers generates more profit than constantly drawing new users (Mannan et al., 2017; Suleiman Awwad & Neimat, 2010). Thus, the study was conducted to investigate factors influencing the retention of end customers in the mobile telecommunication Industry

METHODOLOGY

The research approach denotes that the research type, explanatory research's primary goal, is to explain why things happen and to forecast what will happen next. Thus, this research was conducted as a descriptive study to explain customer retention to determine the existence of the mobile telecommunications industry. The deductive approach has been used in the study. The researchers look at what others have done, read existing ideas about the topic they are looking into, and then examine hypotheses that emerge from those theories. Quantitative research method was used. It also asks participants precise, targeted questions and collects measurable and quantitative data used in this study. The study was cross-sectional, and the researchers developed a questionnaire to gather data. Here, a questionnaire was used to collect data. Under this study, the researchers selected the 'Random Sampling Technique' to collect data and used the Morgan chart to select 384 mobile phone users as the sample size.

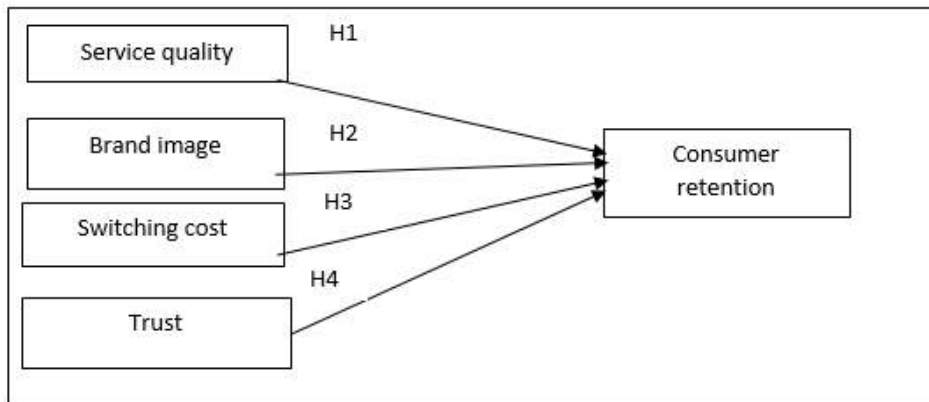


Figure 1. Conceptual Framework

H1: There is a positive relationship between service quality and customer retention in the mobile telecommunication industry.

H2: There is a positive relationship between brand image and customer retention in the mobile telecommunication industry.

H3: There is a positive relationship between switching costs and customer retention in the mobile telecommunication industry.

H4: There is a positive relationship between trust and customer retention in the mobile telecommunication industry.

RESULTS AND DISCUSSION

Table 1 shows the summary of results with hypotheses testing.

Table 1 Hypotheses testing

Hypothesis	Correlation		Decision	Regression		Decision
	R	P		B	P	
H ₁	0.796	0.000	Supported	0.30	0.000	Supported
H ₂	0.783	0.000	Supported	0.79	0.174	Partially Supported
H ₃	0.756	0.000	Supported	0.41	0.469	Partially Supported
H ₄	0.842	0.000	Supported	0.567	0.000	Supported

In the correlation, the significant value of service quality and trust toward customer retention is 0.000. It is less than 0.05 ($p < 0.05$). However, brand image and switching costs are partially supported by customer retention as the values are higher than 0.05 ($p < 0.05$). Despite the increase in brand name and switching costs, consumers seem willing to switch to other networks over time. According to the regression and correlation analysis, service quality, brand image, switching cost, and trust are the factors that influence the retention of end customers in the mobile telecommunication industry. The primary independent variable of the research study is trust, which strongly supports customer retention, according to the analysis. Hence there is a significant positive relationship between customer retention and the other four independent variables. Also, for the dependent variable, customer retention, the mean value was 2.71, and the net deviation was 1.058. However, that variable exists at a level of relative disagreement. The mean value of all variables is not exceeded, which means that most respondents use 2 and 3 (3 is neutral, = disagree). According to the detailed statistics table, the minimum value is 1.00, and the maximum is 5.00. It represents that most respondents use

2 and 3 to answer questions. Therefore, the researchers assume that not all questions will be answered satisfactorily by the respondents.

CONCLUSIONS AND IMPLICATIONS

The central focus of this study was to investigate the effect of the end customer retention on the factors such as service quality, brand image, switching cost, and trust. Furthermore, this study covers all mobile phone use in Sri Lanka. The researchers have established four particular objectives for developing the conceptual framework and research hypothesis based on a comprehensive literature review. To determine the impact of independent variables on customer retention, the researchers distributed 1000 questionnaires among mobile phone users and selected 384 Mobile phone users as a sample in the Mobile telecommunication industry of Sri Lanka. The structured questionnaire was issued for data collection, and the questionnaire was analyzed and evaluated using the software SPSS. Finally, the study's findings suggest that all independent variables positively impact customer retention in the mobile telecommunication Industry. Having confirmed the acceptability level of the reliability of the research instrument, further analysis involving correlation and linear regression was employed to test the formulated hypotheses.

Keywords: Brand image, customer retention, mobile telecommunication industry, service quality, switching cost, trust

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MOBILE BANKING DIMENSIONS TOWARDS CUSTOMER SATISFACTION IN COMMERCIAL BANKS IN SRI LANKA: THE CASE OF GAMPAHA DISTRICT

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INTRODUCTION

The rapid development of wireless technology has enabled significant growth of mobile phone subscribers in Sri Lanka. Hence, mobile phones have created a platform to facilitate banking activities conveniently and efficiently, and it is widely recognized as mobile banking. Mobile banking can be defined as “a channel whereby the customer interacts with a bank via a mobile device” (Barnes & Corbitt, 2003). Mobile banking is an application of mobile computing that provides customers with the support needed to bank anywhere, anytime, using a mobile handheld device and a mobile service (Ravichandran & Madana, 2016). The Technology Acceptance Model (TAM), a widely recognized model, focuses on several dimensions to elaborate on technology adoption in business organizations. Usefulness, one of the significant dimensions, is considered as the degree to which using a particular system would enhance the individual’s job performance (Nysveen et al., 2005), and the same has been moderated and adapted as the perceived ease of use in the Technology Acceptance Model (TAM). The relationship between perceived ease of use and its effects on a user’s behaviour has been examined and supported extensively in the literature on Information Technology and Information Systems (Gahtani, 2001).

Another dimension of Relative advantage can also be defined as an innovation that provides greater customer service than its predecessors (Karayanni, 2003). The security dimension was first introduced in marketing research as an external variable in the study of innovation diffusion, and adoption contends that the speed of adoption is negatively related to the level of security (Frambach & Schillewaert, 1999). Reliability is identified as another significant factor that affects customer satisfaction. The context of mobile banking services significantly relies on reliability, which helps to uplift customer satisfaction (Sagib & Zapan, 2014). Compatibility with the user’s lifestyle and current needs are also considered the primary sources for building a theoretical framework to identify the impact of such technological platforms on business applications according to the Innovation Diffusion Theory.

Commercial banks in Sri Lanka strive to achieve a competitive position in the domestic market by building a strong relationship with customers by providing innovative services while maintaining quality and higher security standards (Kahandawa & Wijayanayake, 2014). Therefore, banks should invest and replenish their information technology initiatives to expand the confidence and satisfaction that customer aspires to through mobile banking services. The main advantage of this service is that customers can engage in transactions and perform banking activities around the clock. According to Ayoobkhan (2018), only 20% of

banking customers use mobile banking services out of 27.38 million smartphone users in Sri Lanka. This indicates that Sri Lankan customers are unwilling to rely on banking services through mobile phones.

On the other hand, the power of mobile banking showcases the utilization of multiple mobile banking channels to understand the mobile tools needed to become the premium choice for all banking service providers. This research study is mainly focused on understanding the usage of mobile banking services by Sri Lankan banking customers, focusing on customers' satisfaction regarding security and privacy. Hence, this research study attempts to answer the question of 'What is the impact of mobile banking services on customer satisfaction?' The general objective of this study is to identify the impact of mobile banking services on customer satisfaction, and commercial banks in the Gampaha district have been focused on implementing the study. Furthermore, this study was carried out with a specific objective to identify the impact of usefulness, ease of use, relative advantage, security, reliability, and compatibility on customer satisfaction about mobile banking services.

METHODOLOGY

This study has used a deductive research approach and quantitative research method to achieve the research objectives. The study has addressed the dimensions of usefulness, ease of use, relative advantage, security, reliability, and compatibility as the measures of the independent variable. Based on the dimensions following hypotheses were formulated.

H1: The usefulness of mobile banking services has a significant impact on customer satisfaction.

H2: Ease of use of the mobile phone for banking services has a significant impact on customer satisfaction.

H3: Relative advantage of mobile banking has a significant impact on customer satisfaction.

H4: The security of mobile banking has a significant impact on customer satisfaction.

H5: The reliability of mobile banking services has a significant impact on customer satisfaction.

H6: Compatibility has a significant impact on customer satisfaction.

The sample frame of the study comprised respondents who are banking customers of four leading commercial banks in the Gampaha district; Bank of Ceylon, People's Bank, Sampath Bank, and Hatton National Bank. Three hundred ten respondents from the population based on Krejcie and Morgan's table have been selected as the sample. A random sampling method was implemented to select the banking customers, and a purposive sampling technique was employed. An online questionnaire was distributed, and data were gathered under a 5-point Likert Scale.

RESULTS AND DISCUSSION

Following the data analysis, 59% of the respondents were men, and the rest were women. 71.6% of the respondents reported being employed, while the remaining were students and

business owners. 53.9% of the respondents were between 21 and 30, and 56.8% stated that they interact with the bank at least once every one to five years. The category with the highest usage rate for mobile banking platforms accounts for once a month, with 66.5% of the respondents.

Table 1 Descriptive Statistics

Variable	Minimum	Maximum	Mean	Standard Deviation
Usefulness	1.00	5.00	4.1148	0.59662
Ease of Use	1.00	5.00	4.1032	0.65195
Relative Advantage	1.00	5.00	3.7252	0.67393
Security	1.00	5.00	3.4297	0.90716
Reliability	1.00	5.00	4.0845	0.52846
Compatibility	1.00	5.00	4.1639	0.70246

According to Table 1, the minimum value for ease of use, security, and compatibility can be stated as 1.00. The maximum value of all the independent variables was 5.00, except for relative advantage, which was 4.80. The compatibility factor has demonstrated the highest mean value, and the security factor has ended up with the lowest mean value according to the initial mean value analysis of data. The security factor has the highest standard deviation value at 0.90716, indicating that the data about the security factor has a higher dispersion from the mean value.

Table 2 Summary of Correlations

Variable	Pearson Correlation	Significance Value (p-value)	Relationship
Usefulness	0.734	0.000	Strong Positive
Ease of Use	0.721	0.000	Strong Positive
Relative Advantage	0.552	0.000	Moderate Positive
Security	0.153	0.007	Weak Positive
Reliability	0.730	0.000	Strong Positive
Compatibility	0.797	0.000	Strong Positive

Pearson correlation values of usefulness, ease of use, relative advantage, security, reliability and compatibility were 0.734, 0.721, 0.552, 0.153, 0.730 and 0.797 respectively at 0.01 significance level. Therefore, it can be specified that all independent variables have a positive correlation with the dimension of customer satisfaction with mobile banking services. The correlation analysis depicted the significance value for all independent variables as 0.000, and the significance value of the 'security' variable was 0.007, which affirms the statistical significance of independent variables.

Table 3 Model Summary

Model	R	R Square	Adjusted R Square	Durbin-Watson
1	.844 ^a	.714	.708	1.899

The study has assumed multiple regression to identify the significant impact of dependent variables and factors that affected customer satisfaction in commercial banks. In this case, the

R square value was 0.714, which means 71.4% variance in the dependent variable is explained by particular independent variables.

Table 4 Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
	1 (Constant)	.219	.171		
Usefulness	.226	.065	.200	3.486	.001
Ease of Use	.109	.056	.105	1.934	.050
Relative Advantage	.112	.043	.112	2.623	.009
Security	-.045	.025	-.060	-1.772	.077
Reliability	.137	.079	.107	1.724	.086
Compatibility	.434	.049	.453	8.883	.000

Based on Table 2, the following model can be derived to test the impact of mobile banking services on the dimension of customer satisfaction.

$$CSMBS = 0.219 + 0.226(U) + 0.109(EU) + 0.112(RA) - 0.045(PR) + 0.137(R) + 0.434(C) + \mu$$

The significance values for the dimensions of usefulness, ease of use, relative advantage, security, reliability, and compatibility were 0.001, 0.050, 0.009, 0.077, 0.086, and 0.000, respectively. Variables of usefulness, ease of use, relative advantage, and compatibility were considered statistically significant variables that impact customer satisfaction since the 'P' values of these four variables were less than 5% of significance. Therefore, H1, H2, H3, and H6 can be accepted. This has been proved by Nysveen et al. (2005) and Ravichandran and Madana (2016).

The dimensions of security and reliability were considered statistically insignificant variables on customer satisfaction since the 'P' value of these variables were 0.077 and 0.086, respectively, and higher than the level of 5% significance. Therefore, H4 and H5 can be rejected. This has been proved by Karayanni (2003).

CONCLUSIONS AND IMPLICATIONS

Mobile communication has reached the grass root of society as everybody can own a mobile device at an affordable cost and has laid the foundation for the emergence of several business models. Mobile banking has been identified as one of the alternative delivery channels in the banking sector. However, the success of mobile banking remains questionable, especially in the Sri Lankan setting, due to several concerns. Data were gathered from 310 respondents using an online questionnaire. Reliability testing, frequency analysis, descriptive statistics, correlation analysis, and regression analysis were conducted. Gampaha district has been selected to implement the study to identify the impact of mobile banking services on customer satisfaction. Regression analysis was this study's primary data analysis technique, and it revealed that usefulness, ease of use, relative advantage, and compatibility were significant

variables that affect customer satisfaction. On the other hand, security and reliability were insignificant variables in enhancing customer satisfaction.

The study recommends that banks customize their products and services according to customer requirements and consider usefulness, ease of use, relative advantage, and compatibility, except for security and reliability, especially concerning technological adoptions. Banks and mobile service providers must work together to revolutionize the mobile banking industry. Banks need to raise customer awareness of their offerings to meet consumer expectations. Mobile banking will enhance the services offered through technological platforms at a significant level. It will increase the number of customer adoptions of mobile banking. As a limitation of this study, the focus on urban customers of mobile banking platforms can be identified, and future research could be carried out with the respondents who represent both rural and urban communities. In conclusion, this study also helps the industry develop a clear understanding of business requirements and gain a more excellent vision to improve the knowledge and skills to integrate and utilize mobile banking platforms while reducing the risks involved.

Keywords: Commercial bank, customer satisfaction, mobile banking

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**THE IMPACT OF RELIGIOSITY ON INTERPERSONAL TRUST ASPECT
TOWARDS THE PURCHASE INTENTION IN B2C E-COMMERCE IN SRI
LANKA**

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INTRODUCTION

Business-to-Consumer (B2C) business model widely implemented in e-commerce can be identified as an electronic-oriented business model among end customers and vendors. Religiosity is known as the level of an individual's beliefs in religious values and practices, and studies indicate that religiosity influences purchasing decisions (Delener, 1990). The study of Sohaib and Kang (2014a) indicates religion, human behaviour can affected the e-purchasing decisions, and the authors have justified that the impact of religiosity on purchase intention towards buyer behaviour has insufficiently examined in the e-commerce context. This study examined the impact of religiosity towards online purchasing with two aspects, interpersonal cognitive-based trust (built upon available knowledge) and affect-based trust (built upon emotional ties between partners) (McKnight & Norman, 2001). The study was supported by previous literature (Sohaib & Kang, 2014b, 2015, 2016; Alam & Siddiqui, 2019; Mohd Nawi & Sulaiman, 2021). The study considered religiosity along with the individualistic and collectivistic characteristics of the religions, as it reflects the factors like ethnicity, education, culture, trust, risk, other's opinion, attitude, etc. (Mohd Nawi & Sulaiman, 2021). Studies in e-commerce will help e-businesses platforms in Sri Lanka since studies help to understand how religiosity influences interpersonal trust and purchase intention. Currently, there are limited studies carried out in Sri Lanka concerning the effect of religion on purchase intention. The study's main focus was to identify religion's effect on interpersonal trust and, subsequently, purchase intention. The study's objectives were "investigate the effect of the religion on interpersonal trust aspect and subsequently purchasing intention" and "find the differences among religions on interpersonal trust aspect and subsequently purchase intention."

METHODOLOGY

The conceptual framework of researchers has been developed as follows (Figure1).

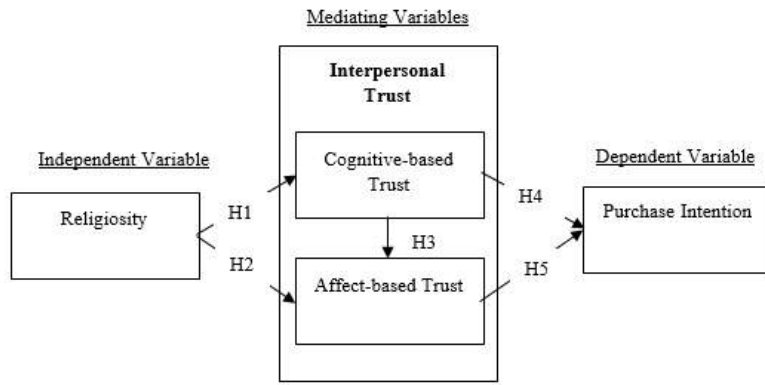


Figure 1 Conceptual Framework

This study focuses on two religions which are Buddhism and Hinduism as the selected religions that represent the largest shares of 69.3% and 13.6% respectively of the population ranking in Sri Lanka in Sri Lanka, the majority who identified as Buddhists belong to the ethnicity of Sinhalese, whereas Hindus belong to the ethnicity of Tamil. The study was conducted considering these two religions to address the study objectives, researchers have developed five hypotheses. Religion is a crucial factor in purchase intention (Sohaib & Kang, 2014b, 2015, 2016). As indicated by Sohaib and Kang (2014a), religious differences should be considered when determining the mix of web design strategies. Sohaib and Kang (2014b) justified that collectivistic buyers are more religious toward e-purchasing than individualistic buyers. Therefore, researchers have hypothesized;

H₁: Relationship between religiosity and cognitive-based trust is higher for Hindus than Buddhists.

H₂: Relationship between religiosity and affect-based trust is higher for Hindus than Buddhists.

Solomon (2017) found that e-retailers use religious themes, and followers of that religion are expected to abide by the rules set by their religious principles. Meanwhile images that include religious-oriented symbols should be carefully selected. Lee et al. (2011) found that social influence according to a specific religion can build consumer trust in e-shopping for collectivistic religions than individualistic. Sohaib and Kang (2014b) argued that affect-based trust builds upon indirect interaction sources such as recommendations from others.

H₃: Relationship between cognitive and affect-based trust is higher for Buddhists than Hindus.

H₄: Relationship between cognitive-based trust and online purchase intention is higher for Buddhists than Hindus.

H₅: Relationship between affect-based trust and online purchase intention is higher for Hindus than Buddhists.

To validate and test the hypotheses in the research model, the survey study was conducted through convenience sampling since, it is considered to be the best sampling method when the participants are conveniently available. The questionnaire was shared among undergraduates at Rajarata University of Sri Lanka since it is among the top 10 universities in Sri Lanka.

Undergraduates are considered users who use the internet most often and are applicable as e-consumers (Chen & Barnes, 2007).

86 responses from Buddhists and 35 from Hindus were collected from the questionnaire developed on a five-point Likert scale. The reliability of measurements was evaluated by the internal consistency of measures, which was determined by Cronbach's Alpha and composite reliability (CR) tests. Measurements for reflective variables were evaluated by construct validity, determined by convergent validity and discriminant validity. The formative construct (religiosity) was assessed by collinearity analysis and determined by Variance Inflation Factor (VIF). The study used Partial Least Squares (PLS) Method to analyze the research model using SmartPLS (version 3) software. The PLS method is considered an appropriate method in this type of research as it allows the researcher to assess the measurement and structural models simultaneously. It allows the testing of both reflective constructs and formative constructs together (Sohaib & Kang, 2014b). Current study model, cognitive and affect-based trust can be identified as reflective indicators since they were viewed as effects of latent variables. Whereas, religiosity can be identified as a formative construct as it is a multidimensional human phenomenon developed under behaviours, attitudes, beliefs, feelings and experience. Mediation analysis was conducted to find the effect of mediating variables.

RESULTS AND DISCUSSION

Reliability for both samples shown in Table 1 resulted significant as it showed the CR values for both in higher than the recommended value of 0.700 and the Cronbach's Alpha values were higher than the adequate benchmark of 0.700. Validity for both samples shown in Table 1 resulted significantly as the convergent validity reflected in Average Variance Extracted (AVE) was higher than 0.500 for both samples, and the discriminant validity reflected in Fornell-Larcker Criterion and the results were significant.

Table 1 Reliability and validity Assessment of Buddhist and Hindu Sample

Construct	Buddhist Sample (n=86)							Hindu Sample (n=35)						
	C Alpha	CR	Fornell-Larcker Criterion				C Alpha	CR	Fornell-Larcker Criterion					
			AVE	AT	CT	PI			RE	AVE	AT	CT	PI	RE
AT	0.839	0.893	0.681	0.825			0.784	0.863	0.623	0.789				
CT	0.534	0.757	0.598	0.769	0.773		0.899	0.93	0.77	0.807	0.878			
PI	0.715	0.827	0.574	0.789	0.721	0.758	0.838	0.891	0.672	0.788	0.848	0.82		
RE	NA	NA	NA	0.618	0.536	0.548	1	NA	NA	NA	0.797	0.772	0.755	1

Notes: AT: Affect-based Trust, CT: Cognitive-based Trust, PI: Purchase Intention, RE: Religiosity

C Alpha: Cronbach's Alpha, CR: Composite Reliability, AVE: Average Variance Extracted

Collinearity Analysis assessed reliability and validity for religiosity, and VIF values for constructs of religiosity resulted in recommended VIF values of less than 3.3. The significance of the path coefficient and the variance (R²) assessed the structural model and the hypothesis. To compare the differences between Buddhists and Hindus, multi-group PLS analysis was employed, which is appropriate for the study area. It is recommended to have *p* scores less than 0.050 (*p* value < 0.05) and *t* scores greater than 1.960 (*t* value > 1.960) to have/identify a significant impact on the relationships. The significance of the paths was determined using the

t-statistical test calculated with the bootstrapping technique (1000 subsamples). Results are shown in Table 2.

Table 2 T-Statistics and Path Coefficient (Independent Sample t-test) for Buddhist and Hindu Samples

Path	Buddhist Sample (n=86)			Hindu Sample (n=35)		
	Path Coefficient (β)	t-Value	p-Value	Path Coefficient (β)	t-Value	p-Value
RE-> CT	0.536	6.691	0	0.772	10.562	0
RE -> AT	0.288	3.377	0.001	0.432	2.098	0.036
CT -> AT	0.615	8.406	0	0.473	2.175	0.03
CT -> PI	0.275	2.32	0.021	0.611	3.843	0
AT -> PI	0.577	4.893	0	0.297	1.754	0.08

Significant at t value > 1.960, p value < 0.050

Notes: AT: Affect-based Trust, CT: Cognitive-based Trust, PI: Purchase Intention, RE: Religiosity

In order to calculate the multi-group differences, variance (R^2) analysis was employed and the results in Table 3 revealed that the impact is significant.

Table 3 Variance (R^2) of the Variables

Variable	Buddhist Sample (n=86) Variance (R^2)	Hindus Sample (n=35) Variance (R^2)
CT	0.287	0.596
AT	0.652	0.725
PI	0.653	0.754

Notes: AT: Affect-based Trust, CT: Cognitive-based Trust, PI: Purchase Intention

CONCLUSIONS AND IMPLICATIONS

The study's main findings revealed that interpersonal trust for an e-retailer could vary with the consumer's religiosity and, subsequently, e-purchasing intention. Results showed that the Hindu (collectivistic) religion's interpersonal trust effects could transfer to the same religious web context. Thus, in the B2C context, the relationship between religiosity and interpersonal trust was significant compared to Buddhists. Hindus had significantly more positive purchase intentions compared to Buddhists. This suggests that religious attitude is an essential element of trust in purchase decisions and may affect a buyer's perception of confidence to buy online. Parties involved in e-businesses can customize their websites accordingly, plan their strategies, goals, and objectives, implement plans, and maintain effective communication with customers. The study provided a guideline for website developers to use pictures, symbols, colours, and other related things to their websites accordingly. The study will provide many potential paths for future researchers as there were insufficient studies conducted in the Sri Lankan context. In future research, it is recommended to use a larger sample size as it is helpful to evaluate the stability and dependability of the findings. It is recommended to carry out studies addressing all the religions in Sri Lanka. The moderating effect has not been examined in the current study, and it is recommended to use moderating variables in the future.

Keywords: B2C e-commerce, interpersonal trust, purchase intention, religiosity

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Marketing & Supply Chain Management

APPLICATIONS OF SUPPLY CHAIN FINANCE SCHEMES IN SRI LANKAN BANKING SECTOR

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INTRODUCTION

Small and Medium Enterprises (SMEs) are the engine of economic growth in Sri Lanka, as they own and operate 80% of the business. However, SMEs in Sri Lanka confront considerable difficulties in accessing bank finance. Most financial providers are reluctant to lend to potential clients, considering that financing for SMEs is risky due to high transaction costs and low returns on investment (Gamage, 2015). Most SMEs operate the business on credit terms and face difficulties with limited sales revenues. The amount of cash in hand may be strained, leading to constraints on working capital to pay wages, bills, and other operating costs (Wijesinha & Perera, 2015).

Supply Chain Finance Scheme (SCFS)/ Reverse Factoring (RF) provides a bundle of solutions for Small and Medium Enterprises (SMEs), such as financing working capital, providing collateral, and reducing interest costs and processing fees of their borrowings. Moreover, with SCFSs, corporate buyers can outsource their receivable management and negotiate better terms with their suppliers. Licensed Commercial Banks (LCBs) also receive specific benefits from SCFSs by converting high-risk SME lending into low-risk corporate lending. LCBs experience low information costs due to one or few credit appraisals on credit facilities involved with many customers (Gelsomino et al., 2016; Klapper, 2005; Liebl et al., 2016; Silvestro & Lustrato, 2014). Despite the benefits from SCFSs by SMEs, banks, and the overall economy, the penetration of SCFSs in Sri Lanka is deficient. Motivated by the significance of SCFSs for SMEs and the banking sector in Sri Lanka, the study at hand examines the root causes of non-penetration of the SCFS in Licensed Commercial Banks (LCBs) and study measures that LCBs to be established to develop their internal capabilities to reach the execution level of SCFS. This is the first study investigating the SCFSs in the Sri Lankan context.

METHODOLOGY

Empirical evidence found in literature in Supply Chain Finance revealed that researchers had used qualitative research design to resolve their research problems in different contexts. Further, In-depth interviews have been used to gather the primary data, and thematic analysis is used to analyze the data (Silvestro & Lustrato, 2014; Gelsomino et al., 2016; Liebl et al., 2016). The research is designed as qualitative research within the research paradigm of interpretivism/ Constructivism (Creswell, 2014). The study applies a qualitative purposive sampling method and collects data using the interview technique (Sekaran, 2003; Sapsford & Jupp, 2006; Creswell, 2014). The primary data is analyzed using thematic analysis. 'Thematic analysis is a method for identifying, analyzing, and reporting patterns (themes) within data'

(Boyatzis, 1998). The primary data collection comprises Fourteen (14) interviews from senior banking professionals representing Fourteen (14) LCBs, who have good exposure to credit facilities and lending. The primary data collection/ sample size adequacy is decided upon meeting the saturation point. In qualitative research studies, the primary data collected through the interviews are converted into interview transcripts and analyzed using Thematic Analysis Technique which qualitative researchers heavily apply to analyze the bulk interview data (Maguir & Delahunt, 2017; Jugder, 2006; Braun & Clarke, 2006, p.78).

Braun and Clarke (2006) and Maguir and Delahunt (2007) provide a six-phase guide, a valuable framework for conducting thematic analysis. The framework described above consisted of becoming familiar with the data, generating initial codes, searching for themes, reviewing themes, and writing up. Hence, this study used thematic analysis to analyze the primary data collected from interviews.

RESULTS AND DISCUSSION

The researcher uses a survey strategy to collect the primary data. Qualitative interviews are taken from the senior bankers and transcribed. The thematic analysis technique is used to analyze the bulk interview data. Firstly, interview transcripts are thoroughly read several times to become familiar with the content of the answers. Secondly, with the familiarization with the content, initial codes are assigned. Thirdly, patterns of the codes are identified and based on the patterns described above; codes are grouped into eight (08) significant categories. Finally, three broad themes emerged Knowledge and Expertise, Risk Appetite, and Facilitative Approach (Infrastructure, Internal Design, and Product Promotional Approaches).

According to the similarities and patterns of codes, LCBs are grouped into three categories in the concept and the bank's role in the SCFS. These groups are LCBs which accurately explain the concept and bank's role in the SCFS; LCBs, which explain factoring or postdated cheques discounting instead of the SCFS; and LCBs, which explain unrelated products instead of SCFS. Finally, based on the classification described above, a broad theme emerged as Knowledge and Expertise. According to the analysis of fourteen (14) qualitative interviews, it is found that out of fourteen (14) studied LCBs, only one LCB (Bank B) operates the SCFS currently in the context.

Furthermore, only two (02) LCBs (Bank B and E) accurately explain the concept and bank's role in the SCFS, representing 14 per cent of the sample. Moreover, the balance of twelve (12) LCBs do not explain the concept and bank's role in the SCFS correctly, and out of which six (06) LCBs (Bank A, C, D, F, G, and J) explain factoring or postdated cheques discounting instead of the SCFS representing 43 per cent of studied LCBs and balance six banks H, I, K, L, M, and N do not possess related knowledge in the concept and bank's role in SCFS which represent 43 per cent of the sample. According to the analysis, it is revealed that deficiencies in knowledge and expertise in SCFS have significantly impacted on non-penetration of SCFS in the Sri Lankan Context.

The credit proposal risk assessment is the only important element in the credit evaluation process. The researcher collects the opinion of senior bankers about the risk assessment to ascertain the applicability of the SCFS. Based on the similarities and patterns of the codes that emerged, five groups are formed as preconditions, buyer prescreening, special focuses on specific industries/ markets, supplier prescreening, and flexibilities in collaterals. Also, based

on the groups mentioned above, a broad theme emerged as Risk Appetite. According to the analysis, it is found that eight LCBs ((08), Bank A, B, E, F, H, K, M, and N) evaluate preconditions in lending, representing 57 percent of the sample. Further, five LCBs ((05), Bank B, C, G, M, and N) perform buyer prescreening, a favorable risk approach in penetrating SCFS in the future, representing 36 percent of the sample.

Moreover, five LCBs ((05), Bank A, B, E, H, and M) have decided to limit their presence in specific Industries or Markets, representing 36 percent of the sample. Furthermore, two LCBs ((02), Bank B and M) perform supplier prescreening before the credit decision representing 14 percent of the sample. Eight LCBs ((08), Bank B, C, D, F, G, J, K, and M) have flexibility in obtaining collaterals in cushioning the risk, representing 57 percent of the sample.

According to the analysis, it is evident that certain LCBs are in a favourable risk approach in penetrating SCFS though they do not operate the product currently. Further, it is revealed that one of the business priorities of LCBs is engaging in the lending business, which exposes the inherent risk of default. LCBs expect to obtain collaterals/securities to secure credit facilities or to mitigate the default risk. Due to the adverse competition between LCBs and the credibility and trustworthiness of the client's profile, LCBs attempt to extend credit with flexible conditions in collaterals which is a positive sign for future penetration of SCFS in Sri Lanka. According to the analysis, it is revealed that the risk appetite level of LCBs has moderately impacted the non-penetration of SCFS in the Sri Lankan Context.

In addition to that, according to the codes that emerged, three groups were developed Infrastructure (System Platforms), Internal Design (Product Management Team and Product Program Guidelines (PPG) or Operations Manual), and Promotional Approach. Also, based on these groups, a broad theme emerged as the Facilitative Approach. According to the analysis, it is found that LCB E and I believe that they do not need a separate platform to handle SCFS since having the capability with their existing core banking system to handle the same in the future, which represents 14 percent of the sample. However, LCB E, G, H, and J have different thinking of facilitating the promotional approach (DTFPA), representing 29 percent of the sample. As they believe, there is no need for unique promotion campaigns in product promotion since bank staff has the entire responsibility of educating their clients about the new products or services available at the bank.

Moreover, we observe that, except for a few, most LCBs do not have a facilitative approach, such as the required IT platform, Product Program Guidelines (PPG) and Product Management Team, and Product promotional approach to penetrate the SCFS in the Sri Lankan context. It is also found that only one LCB has a manual workaround to perform transactions, product management team, PPG, and Product promotional approach to operate SCFS, which represents 7 percent of the sample. According to the analysis, it is revealed that the lack of a facilitative approach such as the required IT platform, PPG or Operations Manual, and Product Management Team and Product promotional approaches has significantly impacted on non-penetration of SCFS in the Sri Lankan Context.

CONCLUSIONS AND IMPLICATIONS

Deficiencies in Knowledge and Expertise and Facilitative Approaches such as Infrastructure, Internal Design, and Product Promotional Approaches significantly affect the non-penetration

of SCFSs in the studied LCBs in the Sri Lankan context. We also observed that the risk appetite level of LCBs moderately influences the non-penetration of such schemes in Sri Lanka. Our study has several implications for policymakers and practitioners. Penetrating the SCFSs in Sri Lanka would increase the confidence of the Banking system to lend to SMEs. SMEs would be able to reduce their finance gap by accessing the SCFSs through Corporate Buyers. Policymakers may encourage the SCFSs by developing the required capabilities and incentives in the banking system.

Further research may identify the internal capabilities required by LCBs to penetrate the SCFSs. Such capabilities include improving the knowledge and expertise in the concept and bank's role in the integration of physical, financial, and information flows of the Supply Chain, introducing or implementing the necessary expansions in IT Platforms enabling to handle the SCFSs, establishing internal design through the product program guidelines or operations manuals and forming the product management and coordination team, application of relevant product promotional materials and campaigns to promote the product and transforming into the cash flow based lending instead of conventional collateral-based lending.

Keywords: Banking sector, SMEs, supply chain finance, supply chain finance scheme

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FACTORS AFFECTING TO THE PURCHASE INTENTION OF AYURVEDA SKIN CARE PRODUCTS: A STUDY OF CONSUMERS IN ANURADHAPURA DISTRICT OF SRI LANKA

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INTRODUCTION

Consumer Purchase Intention on the Ayurveda product needs to be investigated as it is one of the growing businesses against increasing competition. Moreover, the Ayurveda products industry in Sri Lanka has considered a niche market, and the level of consumption is still shallow, although it is proliferating. However, there is a dearth of studies conducted in the field of consumer behavior in the Ayurveda products industry in the Sri Lankan context. Aste (2017) mentions that while there are many academic studies in the field of organic and green food, there are only a few articles on personal care, particularly in the Asian market. As a result, the Sri Lankan market must be investigated.

Organizations must clearly identify the market's trends and current situation to survive in the market because Sri Lankan contribution is lower to the international arena. However, a fundamental issue in the current market is the lack of findings from domestic organizations that provide insight into customers. Accordingly, this study aims to find the factors that affect the Purchase Intention (PI) regarding the Ayurveda Skin Care Products (ASCP).

Based on the research question specified, the researcher developed two objectives of this study, to identify the factors influencing PI of ASCP in Anuradhapura District and the demographic variables influencing PI of ASCP in Anuradhapura District. The research's findings will have a wide range of implications. The findings will fill a gap in the literature and expand knowledge of the factors influencing purchasing intent in the Sri Lankan context. By thoroughly identifying the research area, new ideas can be generated as a result of this investigation. Marketers and other associated parties will gain explicit knowledge from this study. This study might also help identify specialized markets that need to be handled in the future and help them gain a competitive advantage.

This study aimed to determine the factors that influence customer PI for ASCP. Only a few variables were explored here due to their simplicity and ease of comprehension. The study's population was restricted to Anuradhapura District. When comparing with the study population, the sample used was insufficient. The study focused on ASCP. However, the industry encompasses a wide range of products. These are the limitations of this study.

METHODOLOGY

Independent Variables

Dependent variable

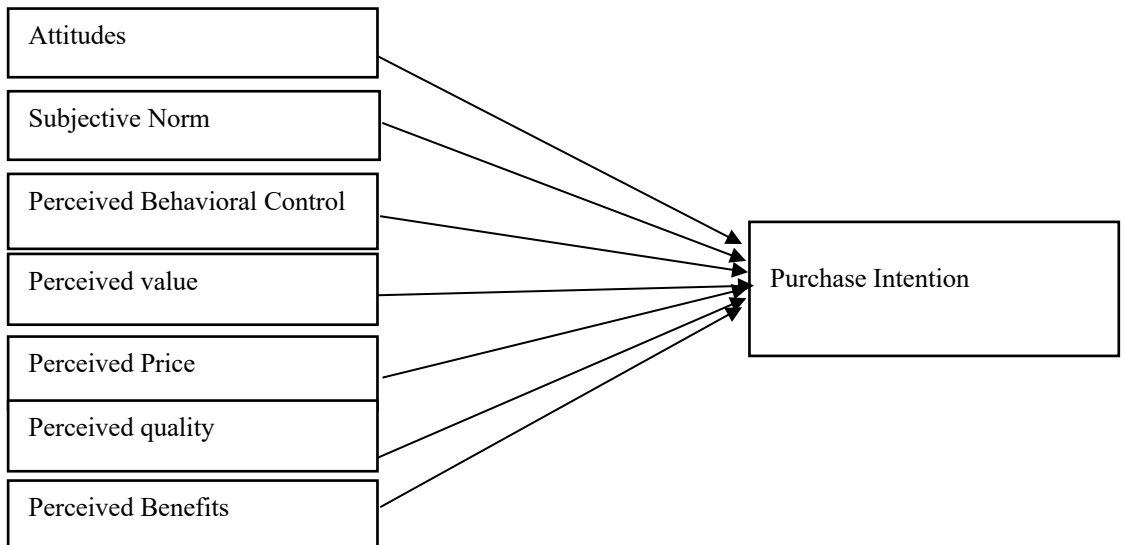


Figure 1 Conceptual Framework

With the use of previous findings, the researcher was allured to develop the hypotheses of the study as follows,

H₁: Attitudes towards purchasing ASCP has a positive effect on Anuradhapura consumers' PI.

H₂: Subjective Norm in relation to purchase ASCP has a positive effect on Anuradhapura consumers' PI.

H₃: Perceived Behavioral Control in relation to purchase ASCP has a positive effect on Anuradhapura consumers' PI.

H₄: Perceived Value towards purchasing ASCP has a positive effect on Anuradhapura consumers' PI.

H₅: Perceived Price towards purchasing ASCP has a positive effect on Anuradhapura consumers' PI.

H₆: Perceived Quality towards purchasing ASCP has a positive effect on Anuradhapura consumers' PI.

H₇: Perceived Benefit towards purchasing ASCP has a positive effect on Anuradhapura consumers' PI.

The investigation was conducted using a quantitative manner. The deductive technique was applied in this study. This research was carried out in an explanatory manner. This was a cross-sectional study conducted over a specific period.

In this study, people willing to buy ASCP in Anuradhapura were referred to as the population. Among the total population, 170 customers were selected using the convenience sampling technique for the study. This was taken from the paper (Weerasiri & Cooray, 2016), in which Roscoe (Hill, 1975) suggested the rule of thumb for choosing sample size, stating that sample sizes of 30 to 500 are adequate for the majority of studies.

Primary data were collected through a questionnaire, and Secondary data were collected through other literature like Journal articles and information from different sources.

The collected data were examined and interpreted using a statistical package for social science (SPSS 21).

RESULTS AND DISCUSSION

Table 1 Test of Normality

Kolmogorov-Smirnov Test	
Variable	Sig
AT	0.230
SN	0.151
PBC	0.203
PV	0.060
PP	0.152
PQ	0.200
PB	0.202
PI	0.070

The sig values of the K-S test were more significant than 0.05; the sample can be considered normally distributed. According to the Test of Multicollinearity, all tolerance values of independent variables are more significant than 0.10, and all VIF values are lower than 10. Therefore, the results indicate no multicollinearity issues within the independent variables. According to factor analysis, correlation values lay between 0.3 and 0.9. It indicates no discrimination and convergent validity issues in the data set. According to the table, all KMO values are more significant than 0.5, implying that sampling is adequate for measuring variables. Most of the mean is below 2.00, which means most of the respondents of the survey were given their answers at a satisfactory level about below, and some of the mean values are greater than 2.00, which means some of the respondents of the survey were given their answers at a moderate level. Then also, standard deviations of the questions are lower than one, indicating participants' responses varied in a small range.

Table 2 Reliability of Study

Variable	No. of items	Crochbach Alpha	Result
AT	05	0.778	Acceptable
SN	04	0.701	Acceptable
PBC	04	0.710	Acceptable
PV	05	0.810	Good
PP	06	0.712	Acceptable
PQ	06	0.858	Good
PB	04	0.705	Acceptable
PI	08	0.853	Good

According to the Table Cronbach's values of all dimensions of the dependent and independent variables are greater than 0.7. Therefore, all variables are acceptable and highly reliable and questions are internally consistent of the research study.

Table 3 Analysis of Demographic Factors

	Sig. Value of ANOVA Test	Sig Value of T Test
Gender		0.712
Age	0.712	
Marital Status	0.014	
House Hold Income	0.001	
Educational Level	0.032	
Nature of the Job	0.001	
Amount Spent on Cosmetics	0.002	

According to the Table, the results can be concluded as significant differences in marital status, House Hold Income, Education level, Nature of the Job, Amount Spent on Cosmetics with the PI, and gender; age has no significant difference in PI.

Table 4 Correlation between Independent variables and Purchase Intention

		PI	AT	SN	PC	PV	PP	PQ	PB
PI	Pearson	1	0.359**	0.393**	0.619**	0.632**	0.275**	0.395**	0.699**
	Correlation Sig. (2- tailed)		0.000	0.000	0.000	0.000	0.000	0.000	0.000

**Correlation is significant at the .001 level

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

As per the table, it can be concluded as there are significant and positive relationships between the above variables and PI. Therefore, the results supported all the hypotheses of the study.

Table 5 Multiple Regression Analysis

R=0.819		R ² =0.671		Adjusted R ² = 0.657	Sig.=0.000	Durbin Watson= 2.187
Model	Unstandardized Coefficient	Std. Error	Standardized Coefficient	t	Sig.	
	B		Beta			
1	Constant	0.257	0.119		2.162	0.320
	AT	0.019	0.049	0.21	0.381	0.704
	SN	-0.224	0.059	-0.280	-3.770	0.000
	PC	0.190	0.058	0.201	3.257	0.001
	PV	0.255	0.060	0.294	4.270	0.000
	PP	0.556	0.056	0.053	1.003	0.317
	PQ	0.018	0.060	0.019	0.302	0.763
	PB	0.515	0.059	0.631	8.757	0.000

a. Dependent Variable: Purchase Intention

According to the table R² value, 67.1% PI was explained by the study's independent variables, and 32.9% PI is described by the other factors that exist beyond the study. According to the

study results, Durbin- Watson's value was 2.187, implying that there were no autocorrelations in the sample. The significant value of the study was 0.000, and it indicates that there is a significant relationship between independent and dependent variables. As per the table, three independent variables were significant at the level of 0.05, and remain four were not significant at the level of 0.05.

CONCLUSIONS AND IMPLICATIONS

All seven hypotheses supported the results of correlation analysis, multiple regression analysis accepted only four hypotheses, and three were rejected. It can be concluded that Subject Norm, Perceived Behavioral Control, Perceived Value, and Perceived Benefits have a positive relationship with PI. However, Attitudes, Perceived Price, and Perceived Quality are partially related to PI.

The researcher recommended that enterprises use promotion and other methods to attract consumers' attention to ASCP. The government can also cultivate people's attitudes through social media and spread the benefits of ASCP. The researcher recommended that enterprises build experienced retailers as effective and reliable information channels. Marketers are recommended to enhance their pricing strategies.

The organization should be developed a distribution channel that covers all areas. Production firm can develop their unique packages more than competitors. The researcher recommended that all Ayurveda production firms get permission from the relevant authority and should be mentioned in the package. Firms should also use common ingredients for production and mention what ingredients have been used. Firms can do market research and development to identify methods that increase product quality than competitors. Manufacturers can provide customized products to the categories that have not been focused on just yet.

Future researchers can have different variables in the same area regarding this ASCP. Future studies could be conducted on a large sample to get more accurate information. The PI regarding the SKCP can be examined by covering other areas or the whole of Sri Lanka. Future researchers can take cultural differences to conduct the same study. Moreover, products such as oral care, hair care, and cosmetics can be taken to future studies.

Keywords: Ayurveda skincare products, independent variables, purchase intension

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IMPACT OF BRAND ROMANCE ON BRAND LOYALTY: WITH SPECIAL REFERENCE TO THE COMPUTER INDUSTRY IN THE AMPARA DISTRICT OF SRI LANKA

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INTRODUCTION

In the context of marketing, brands play an essential role in consumers' lives because modern consumers always want to buy a brand if it has remained in their hearts. Their emotional attachment to it determines consumer loyalty to a brand. Today the market for technological devices is proliferating. Meanwhile, the personal computer industry takes a special place. As a result of technological development, many technologically improved personal computer brands are coming to the market. There is much competition between brands in the personal computer industry. Consumers in the personal computer industry use hundreds of brands over their lifetime; there are many brand names in the Modern market. Most consumers are dissatisfied with a specific personal computer brand and prefer to switch to other competitive brands on the market. However, only a few of them have formed strong bonds. In 2002 HP (14.2%) held the majority of the market share, as well as Dell (13.2%), IBM (5.2%), Fujitsu (3.2), and Toshiba (2.8). However, in 2021 Lenovo holds the majority of the current market share, accounting for about 24.99%, HP at 21.2%, Dell at 16.4%, Apple at 8.2%, Asus at 6%, and Acer at 5.9%. Therefore, many brands have lost their market share. Accordingly, all the old personal computer Marketers have had to withdraw from the market. Under that, if old companies had not built brand loyalty within the consumer's minds, consumers would change to the new innovative brands. It is hazardous because personal computer manufacturers invest more wealth to develop a company or develop a new brand.

Create a loving relationship with customers Brands must create an emotional connection with customers (Aydin et al., 2017). Therefore, it is essential to position a brand correctly in the minds of consumers (Consumers' loyalty to a brand is based on building an emotional bond with it. This relationship may be called brand romance (Unal & Aydın, 2013). Nowadays, marketers use brand romance as a positioning strategy to create a distinctive love for their brand in the minds of consumers. Successful brand romance helps marketers build strong and long-lasting bonds between brands and customers. Also, when considering the personal computer industry, this brand romance concept has become an essential and powerful tool for brand differentiation and positioning (Kruger et al., 2013). Also, brand loyalty can create and acquire prominent and long-lasting relationships with customers through a strong emotional brand attachment. The concept of brand romance is a highly influential and critical factor in the personal computer industry in Sri Lanka. However, the empirical investigation of Brand Romance in the Sri Lankan business context has received little attention. Therefore, this study also looked at the,

"How to extent influence of Brand Romance on Brand Loyalty in the personal computer industry of Ampara district in Sri Lanka?"

METHODOLOGY

This is quantitative, cross-sectional, and deductive research. The study population includes all the personal computer users in the Ampara District, and 384 respondents were chosen using a convenience sampling technique. The researcher used a structured questionnaire (via Google form) as the data collection method. The questionnaire was developed, including three types of sections to gather the needed information. The second and third sections are 5-point Likert scale questions designed to measure respondents' agreement with the scenarios. Five points were appointed to scales ranging from 1 to 5, representing a range of Strongly Disagree to Agree Strongly.

The researcher used descriptive statistics, a reliability test, correlation analysis, and regression analysis to evaluate the data. Descriptive statistics was used to describe the fundamental characteristics of data in a study. The reliability test was used to measure the internal consistency of the construct that we used to measure critical variables of the statistics. Correlation analysis tests the strength of a relationship between two variables or the degree of association between two variables. Regression analysis Find out the impact of the independent variable on the dependent variable

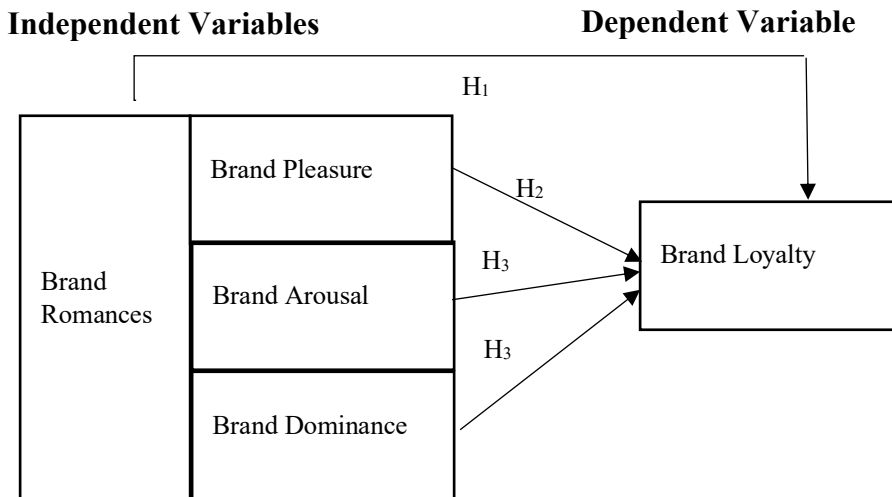


Figure 1 Conceptual Framework

According to research, brand romance is conceptualized by researchers using three key dimensions: brand pleasure, brand arousal, and brand dominance. To be tested by the study, researchers developed the following hypothesis based on the literature.

H₁: Brand romance significantly influences brand loyalty.

H₂: Brand Pleasure significantly influences brand loyalty.

H₃: Brand Arousal significantly influences brand loyalty.

H₄: Brand Dominance significantly influences brand loyalty.

RESULTS AND DISCUSSION

Table 1 shows the Reliability Statistics of the variables of the study.

Table 1 Reliability Statistics

Variables	Cronbach's Alpha	N of Items
Brand pleasure	.858	4
Brand arousal	.833	4
Brand dominance	.894	4
Brand romance	.935	12
Brand loyalty	.794	6

According to the study, all factors' reliability values were more than 0.7. The table indicates that all the questions used to measure independent and dependent variables were internally consistent.

Table 2 KMO and Bartlett's Test

Variable	Value
Independent Variables	0.930
Dependent Variables	0.764

A validity test is used to measure the accuracy of a measurement. The KMO Bartlett's test was used to assess validity, determining how well research data is suited for factor analysis. KMO value should be greater than 0.6. If a KMO value less than 0.6 indicates the sampling is inadequate. According to Table 2, all of the values were above the 0.6 level. All of the KMO values exceeded the recommended minimum criteria. As a result, all data were appropriate for factor analysis.

Table 3 Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.634 ^a	.402	.398		.61181

a. Predictors: (Constant), Brand Pleasure, Brand arousal, Brand dominance

The R² value in the preceding Table 3 indicates how much of the total variation in the dependent variable (brand Loyalty) can be explained by the independent variable (brand pleasure, brand arousal, brand dominance). According to Table 3, the model's R Square or Coefficient of determination was obtained as 0.402. It suggested that 40.2 percent of the dependent variable brand loyalty variation was explained by the brand romance dimension, brand pleasure, brand arousal, and brand dominance. Also, the p-value (0.000) indicates that the model is statistically significant.

Table 4 ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	95.760	3	31.920	85.277	.000 ^b
	Residual	142.237	380	.374		
	Total	237.997	383			

a. Dependent Variable: Brand Loyalty

b. Predictors: (Constant), Brand Dominance, Brad Arousal, Brand Pleasure

The ANOVA test results are shown in Table 4. F value is 85.277 and a significant P-value of 0.000, which was less than 0.05, suggests that overall, the model applied can statistically significantly predict brand romance on brand loyalty.

Table 5 Hypothesis testing summary

Hypothesis	correlation		Decision	Regression		Decision
	r	P		B	P	
H₁ : There is a positive and significant impact of brand romance on brand loyalty	.634**	.000	Accepted	.661	.000	Accepted
H₂ : There is a positive and significant impact of brand pleasure on brand loyalty	.560**	.000	Accepted	.231	.000	Accepted
H₃ : There is a positive and significant impact of brand arousal on brand loyalty	.578**	.000	Accepted	.221	.000	Accepted
H₄ : There is a positive and significant impact of brand dominance on brand loyalty	.562**	.000	Accepted	.212	.000	Accepted

According to the correlation results, all variables have positive relationships, and all values are significant at the 0.01 level. The results of the correlation analysis identified that there is a moderate level of a positive relationship between independent and dependent variables.

According to the regression result, all three dimensions of brand romance, namely brand pleasure ($P < 0.05$), brand arousal ($P < 0.05$), and brand dominance ($P < 0.05$), have a statistically significant impact on Brand Loyalty. When the beta values are considered, brand pleasure has the comparatively highest positive impact on brand loyalty ($\beta=0.231$), followed by brand arousal ($\beta=0.221$) and brand dominance ($\beta=0.212$). As a result of correlation and regression, all hypotheses are accepted.

CONCLUSIONS AND IMPLICATIONS

According to the survey data, the findings show that nearly three-quarters of respondents are consumers under 40, indicating that middle and young consumers are using a specific computer brand name. The personal computer industry needs to catch the age mentioned above category to develop and improve their business area. Marketers need to focus on strengthening those who have chosen their computer brand and changing the attitudes of those who have not yet chosen their brand. In the present study, as a product group, personal computer and HP as a personal computer brand is the first choice regarding brand romance. The results of this study show that the choice of personal computer users is limited to a small number of brands. However, there are a large number of brands in the personal computer industry. Accordingly, older brands will have to withdraw from the market. Therefore, marketers must launch strategies as soon as possible to make their brand more consumer-friendly.

Furthermore, based on the regression analysis results, brand pleasure is the best predictor of brand loyalty, followed by arousal and dominance, respectively. That the personal computer brand pleasures their thoughts and apparent results that respondents experience dominance more than what they are aroused. Thus, the survey results indicated that consumers exhibited low levels of each dimension of brand romance towards the personal computer brands that were currently being used; therefore, personal computer marketers need to come up with strategies that will enhance or retain the satisfaction of existing computer brand users. It is high time for personal computer marketers to offer the right computer-based solutions that necessitate and satisfy the needs of the different customer segments in the market, thereby increasing the brand's loyal customer base. Also, Personal computer marketers need to focus on providing brands that provide new activities to consumers to increase and maintain brand romance. These novel activities should not only be focused on personal computer technological developments. However, they could also include other aspects of marketing, such as new distribution channels, price adjustments, brand repositioning, and communication with consumers. Finally, the study suggests that markets should try to develop a romance with the brand among personal computer users in the Ampara district to increase brand loyalty.

Keywords: Brand loyalty, brand romance, personal computer

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IMPACT OF CELEBRITY ENDORSEMENT ON CONSUMER PURCHASE INTENTION IN THE COSMETICS INDUSTRY IN THE WESTERN PROVINCE OF SRI LANKA

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INTRODUCTION

In the current competitive environment, if any product or service wants to be known rapidly to consumers so they can recall it, then it wants to focus more on advertising campaigns that can remember products and services to customers (Abbas et al., 2018). In recent years there has been significant interest in the study of Celebrity Endorsement, and it has become trendy in modern marketing in both developed and developing countries (Fulani et al., 2020). A celebrity endorser is any individual who enjoys public recognition and who uses this recognition on behalf of a consumer good by appearing with it in an advertisement (McCracken, 1989). According to McCracken (1989), celebrity endorsement transfers the celebrity's characteristics and attributes to the brand or product, which is then transferred to the consumers.

According to Ahmed et al. (2015), celebrity endorsements have a significant impact on people's purchasing habits and also attract customers and, as a result, boost company productivity. It also aids in the promotion of products and the attraction of customers. Celebrity endorsement directly impacts consumers' purchasing intentions and positive attitudes toward the product (Fulani et al., 2020). Celebrities are involved in creating an intended image by presenting an aspect of their personality, thus shaping the customer's perception of the brand (Audi et al., 2015). Manufacturers of beauty culture products, perfumes, and clothing are a few ordinary business users of traditional celebrity endorsement techniques, such as television advertisements and annual launching event appearances, in marketing their products (Munasinghe et al., 2020). The demand for skin care cosmetics products is increasing rapidly, and the market is highly competitive. Celebrity endorsement is highly used in cosmetics ads where the company aims to give customers the perfection, beauty, and elegance the celebrity presents.

Several academics have researched "Consumer Purchase Intention in response to celebrity endorsement" (Abbas et al., 2018; Bandaranayake et al., 2019; Fulani et al., 2020; Chi Yan, 2018; Shaista et al., 2016; Munasinghe et al., 2020), etc. The majority of these academic studies were carried out in other countries. One study has investigated the effect of celebrity endorsement on purchase intention with particular reference to skincare products in Sri Lanka (Munasinghe et al., 2020). It has investigated the likability, credibility, personality, and attractiveness of the celebrity on the purchase intention. However, in this study, the researcher has focused on the attractiveness, trustworthiness, expertise, and the congruency of the celebrity on the consumer purchase intention with particular reference to skin care cosmetics in the western province of Sri Lanka. So, this study has contributed to filling the research gap by investigating other celebrity endorsement indicators that have not been tested before in the

Sri Lankan context. Also, this study mainly focused on young adults in Western Province, Sri Lanka.

METHODOLOGY

The diagram shows the conceptual framework of the study, developed by the researcher through reviewing the related literature of the area of the study.

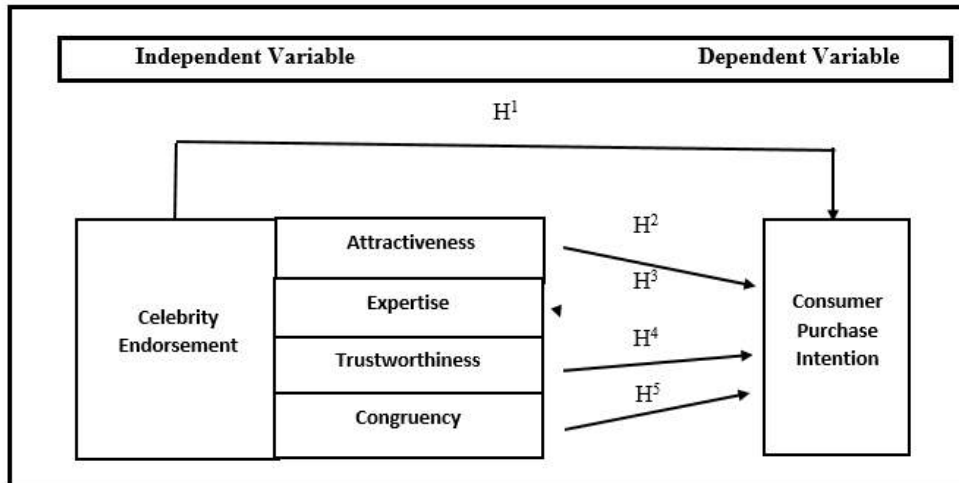


Figure 1 Conceptual Framework

Hypotheses

- H₁: There is a significant impact of celebrity endorsement on consumer purchase intention with special reference to skincare cosmetics industry.
- H₂: There is a significant impact of attractiveness of celebrity endorsement on consumer purchase intention with special reference to skincare cosmetics industry.
- H₃: There is a significant impact of the trustworthiness of celebrity endorsement on consumer purchase intention with special reference to the skincare cosmetics industry.
- H₄: There is a significant impact of expertise of celebrity endorsement on consumer purchase intention with special reference to the skincare cosmetics industry.
- H₅: There is a significant impact of congruency of celebrity endorsement on consumer purchase intention with special reference to the skincare cosmetics industry.

The study takes a quantitative approach. The study focused on the young adult population who uses skincare cosmetics in Western province, and the sample size was 280. The non-probability purposive sampling method was used for selecting the sample. Required data were collected using a structured questionnaire via Google form. An email was sent to each person who includes in the sample. This research unit of analysis is individual persons who use skin care cosmetics.

Based on the value of the independent variable, regression analysis is used to predict the value of the dependent variable. Data is analyzed by using descriptive statistical analysis. The descriptive analysis means, standard deviation, and variance can be obtained by testing the

hypotheses with the findings and identifying the impact of each variable of the study. Statistical Package for Social Science (SPSS) was used for the data analysis. It helps to analyze data more effectively and efficiently.

RESULTS AND DISCUSSION

Five hypotheses were established and four hypotheses were accepted.

Table 1 Hypothesis testing summary

Hypothesis	correlation		Decision	Regression		Decision
	R	P		r	p	
H₁ : There is a significant impact of celebrity endorsement on consumer purchase intention	0.715	0.000	Accepted	0.140	.000	Accepted
H₂ : There is a significant impact of attractiveness of celebrity endorsement on consumer purchase intention	0.857	0.000	Accepted	0.142	0.011	Accepted
H₃ : There is a significant impact of trustworthiness of celebrity endorsement on consumer buying intention	0.866	0.000	Accepted	0.125	0.048	Accepted
H₄ : There is a significant impact of expertise of celebrity endorsement and consumer purchase intention	0.642	0.000	Accepted	0.033	0.241	Rejected
H₅ : There is a significant impact of congruency of celebrity endorsement and consumer purchase intention	0.919	0.000	Accepted	0.663	0.000	Accepted

According to the survey data attractiveness of celebrity endorsement has a higher impact on consumer purchase intention of skincare cosmetics among young adults. In previous studies, the attractiveness of the celebrity endorsement has been taken to measure the impact on purchase intention (Ahmed et al., 2015; Bandaranayake et al., 2019; Fulani et al., 2020), etc. most of them have found that the attractiveness has a higher impact on purchase intention of consumers. Moreover, according to the results, the other dimensions of celebrity endorsement that have been considered in the study positively impacted consumer purchase intention of skincare cosmetics among young adults, except for the expertise.

From the study findings, it can be concluded that celebrity endorsement enhances product information and creates awareness among the consumers of skincare cosmetics in the western province of Sri Lanka. It also helps consumers to recall brands of skincare cosmetics. As such, selecting the right endorser is significant for organizational success; it is also important to note that physical attractiveness and trustworthiness positively affect customer purchase intentions. These traits must be considered while selecting the endorsers for the target audience in promoting skincare cosmetics sales.

CONCLUSIONS AND IMPLICATIONS

This survey was carried out to explore the impact of celebrity endorsement on consumer purchase intention, particularly concerning the skincare cosmetic industry in the western province of Sri Lanka. The researcher considered only young adults for the study as they are very familiar with today's communication technologies and social media, and also, the researcher used the convenience sampling method. It was easy to acquire data from young adults for the study. According to the survey data, most respondents were using cosmetics endorsed by celebrities, and celebrity endorsement has influenced the purchase intention of the skincare cosmetics they use. Further studies that are more diverse in ethnicity and age would be more desirable so we can better understand how different age groups are affected by celebrity endorsements. With every age group exposed to advertising, knowing how certain age groups respond to celebrity endorsements would help advertisers better cater their collaborations and messaging for sales successes. As this study focuses on young adults in the western province of Sri Lanka, further research must be carried out focusing on adolescents, which could portray differences in the importance of social approval compared to the current study, as adolescents may have different purchasing intentions towards celebrity-endorsed products. Future studies could focus on adolescents' purchase intention and compare it with other age brackets.

Keywords: Attractiveness, celebrity endorsement, congruency, expertise, skincare cosmetic

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IMPACT OF MICRO-INFLUENCERS ON CUSTOMERS' BEHAVIORAL INTENTION: WITH SPECIAL REFERENCE TO FOOD INFLUENCERS ON INSTAGRAM

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INTRODUCTION

Influencer marketing has become widespread due to its capacity to reach a large audience within a short time and for its low cost compared to traditional methods (Evans et al., 2017). Influencers are well-known on social media because of their knowledge and expertise in a particular area, such as food, fashion, technology, education, reviews, music, movies, sports, and so on (Lou & Yuan, 2019). Instagram has the highest number of influencers out of other social media platforms compared to other sites (Dhanesh & Duthler, 2019).

In the Sri Lankan context, social media managers also claimed that working and collaborating with social media influencers and identifying profiles to connect their brands are becoming extremely difficult. A study conducted by Seven Media Group (2020), a digital management agency in Sri Lanka, found that the influencer engagement rate of Instagram influencers declined between the period of 2018 and 2020 as well. This declining trend of engagement rate is apparent in food influencers on Instagram. As a result, it has been a challenge for companies to choose the most effective and appropriate influencer while also considering the product they want to promote (De Veirman et al., 2017). As a result, instead of relying on influencers with a huge following, marketers should seek influencers that directly address their target audience and establish expertise in a specific area but with fewer followers (Hudders et al., 2020). Britt et al. (2020) also found this trend of brands moving away from prominent influencers. However, researchers observed a lack of studies identifying distinct characteristics of micro-influencers (Guruge, 2018). Therefore, to fill these gaps, this descriptive study aims to examine the impact of attributes of micro-influencers on customers' behavioural intention regarding food influencers on Instagram.

METHODOLOGY

The researcher used the quantitative research approach because this study involves developing hypotheses based on an existing theory and testing hypotheses. The researcher used the survey strategy as it is usually associated with the deductive approach, allowing to collection of data from a large sample relatively at a lower cost. A self-administrative structured questionnaire with a Five point Likert scale (From 1= strongly disagree to 5= strongly agree) was distributed through WhatsApp and Instagram to accomplish the purpose of this study. The current study's population is Instagram users aged 18-24 years and following at least one food influencer with 10,000-100,000 followers. The researcher selected this age category because most Instagram influencers come under that. The non-probability snowball sampling technique was used to identify the responses. Once the initial contact is made, these respondents will most likely locate other potential respondents similar to themselves. This study used 385 Instagram users

following at least one micro food influencer in Sri Lanka as the sample. Out of 385, 285 participants have answered the questionnaire. Therefore, the effective response rate is 74.03%.

RESULTS AND DISCUSSION

According to the findings, Cronbach's Alpha values of all the variables of this study are above 0.7, indicating internal consistency reliability and the R square value of 0.588 interprets 58% variations of customers' behavioural intention can be explained by attractiveness, trustworthiness, expertise, familiarity, and similarity.

Table 1 Coefficient Table

Model	Unstandardize		Standardized	t	Sig.	Collinearity	
	d Coefficients	Std. Error				Beta	Tolerance
Constant	0.087	0.259		0.336	0.737		
Attractiveness	0.141	0.067	0.111	2.107	0.036	0.529	1.889
Trustworthiness	0.178	0.086	0.132	2.066	0.040	0.363	2.757
Expertise	0.171	0.080	0.132	2.135	0.034	0.384	2.606
Familiarity	0.056	0.070	0.055	0.791	0.430	0.309	3.231
Similarity	0.431	0.059	0.461	7.275	0.000	0.368	2.717

According to Table 1, similarity has the highest beta value of 0.431 at the 0.000 level of the significance level. Hence, similarity can be considered the most influential factor in customers' behavioural intention. Trustworthiness is the second most influential factor, and the third is the influencer's expertise in the customers' behavioural intention. Attractiveness can be identified as the least influential variable. Since the output p-value of familiarity is greater than the critical p-value (0.05), it can be concluded that familiarity does not influence customers' behavioural intention. The p-value (sig level) and B coefficient are used to test the hypothesis, and Table 2 depicts the overall conclusion.

Table 2 Summary of Hypotheses

No.	Hypothesis	p-value	Result
H ₁	There is an impact of attractiveness on consumers' behavioural intention of food influencers on Instagram	0.036	Accepted
H ₂	There is an impact of trustworthiness on consumers' behavioural intention of food influencers on Instagram	0.040	Accepted
H ₃	There is an impact of expertise on consumers' behavioural intention of food influencers on Instagram.	0.034	Accepted
H ₄	There is an impact of familiarity on consumers' behavioural intention of food influencers on Instagram	0.430	Rejected
H ₅	There is an impact of similarity on consumers' behavioural intention of food influencers on Instagram	0.000	Accepted

According to the study's findings, source attractiveness, trustworthiness, expertise, and similarity significantly impact food micro-influencers on customers' behavioural intention. Therefore, all the hypotheses have been accepted except one.

CONCLUSIONS AND IMPLICATIONS

The current study aims to examine the impact of characteristics of micro-influencers on customers' behavioural intentions concerning food influencers on Instagram. Furthermore, this research is intended to find which variable of the conceptual framework has the highest impact and lowest impact on customers' behavioural intention. This study collected data from 303 respondents initially. However, only 285 questionnaires were used for the analysis. The data has been collected under a non-probability sampling technique, namely the snowball sampling method. Based on the previous literature, the researcher has identified five independent variables to conduct the study; source attractiveness, trustworthiness, expertise, familiarity, and similarity. The behavioural intention of customers' has been identified as the dependent variable. Five hypotheses were built based on the most recent studies to achieve the research objectives. The SPSS version 21.0 software has been used for the analysis. SPSS outputs indicate that each variable has reliability and validity. Correlation analysis has been used to test the relationship between independent variables and dependent variables. The impact of the variables was analysed using multiple regression analysis. According to the analysis results, four out of five hypotheses were accepted, and one was rejected. It was found that source attractiveness, trustworthiness, expertise, and similarity have a significant positive impact on customers' behavioural intention. In contrast, familiarity has no impact on behavioural intention of customers. According to the findings, similarity has the highest impact on customers' behavioural intentions. This study will be a guideline for marketers and advertisers in the food industry to understand the factors to be considered in selecting suitable influencers. Because in recent years, so many influencers have emerged on social media, causing it to become overwhelmed with them. As many influencers share their opinions on brands, it has become hard for viewers to keep in touch with all of the content, especially sponsored content from the influencers they follow on social media platforms. After being overfilled with sponsored content on social media platforms, social media users become less likely to connect with brands and influencers as they have become overwhelmed with all this. Hence this study intends to help marketing managers and advertisers overcome the challenge of identifying more suitable influencers for their marketing campaigns. Influencers with a smaller audience can connect more with their followers and build more closely related groups, resulting in increased engagement. Hence the current study has identified the most influential characteristics of those micro-influencers. Through that food, companies can identify the most effective micro-influencers on Instagram and positively influence customers' intention to change their behaviour. This study also provides valuable insights into how influencer marketing contributes to consumer behavioural intention. Social media has altered the way companies and firms connect with their consumers. Because of the widespread and frequent usage of social media sites, these platforms have become not only information sources but also appealing venues for businesses to perform promotional activities. It is found that source similarity has the most significant influence on customers' behavioural intention. It implies that customers tend to get product/brand suggestions from people they consider similar. Therefore, food companies should choose similar micro-influencers as they are more effective at connecting with followers. According to the findings, the trustworthiness of the influencer also has a considerable influence on customers' behavioural intentions. That means

customers tend to believe endorsements done by the most trustworthy influencers. Therefore, food companies should collaborate with micro-influencers who seem trusted by followers. The findings of the study show that source expertise has an impact on the behavioural intention of customers. It indicates that people believe in influencers with knowledge, experience, and expertise regarding food brands and restaurants. Hence when building a relationship between the customer and the product, the endorser's expertise plays an important role. Therefore, food companies must consider the micro-influencer's expertise when selecting one for their campaigns. It was found that source attractiveness positively impacts customers' behavioural intention. Since attractiveness focuses on a social media influencer's personality, lifestyle, and behaviours rather than just physical attractiveness, food marketers should focus on micro-influencers who display those attributes to collaborate. However, findings reveal that familiarity has no impact on customers' behavioural intention. Therefore, food companies do not need to focus on familiarity when selecting a micro-influencer to endorse their brand.

Keywords: Customers' behavioral intention, food influencers, micro-influencers

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IMPACT OF SOCIAL MEDIA ADVERTISING ON CONSUMER PURCHASE INTENTION: THE CASE OF THE SMARTPHONE MARKET IN ANURADHAPURA DISTRICT OF SRI LANKA

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INTRODUCTION

Recently, the smartphone market in Sri Lanka has expanded rapidly. Smartphones have played a critical role in returning people to normalcy, particularly in a situation with the COVID-19 pandemic sweeping the country. For smartphone brands, consumers' purchase intentions are influenced by many reasons. One of the main reasons for this is the advertising. There are limited research studies on the impact of social media advertising on consumers' purchase intention in the context of the Sri Lankan smartphone market. Especially after the spread of the COVID-19 pandemic situation.

The principal aim of this study is to explore the impact of social media advertising on consumer purchase intention within the smartphone market (with particular reference to the smartphone market in Anuradhapura District). The outcome of this research will offer vital insight for advertising firms, marketing managers, and the general public to reduce advertising costs, enhance sales income, and better understand social media-driven advertisements of smartphone brands. One of the main limitations of this research is the geographical scope of this study, which is limited to the Anuradhapura District.

Social media advertising is a broad phrase that encompasses all kinds of advertising on social networking sites, whether not express or implicit (Rahman & Rashid, 2018). Consumers' propensity to buy a specific product or service is called "purchase intention" (Yeo et al., 2020). Informativeness refers to a company's ability to provide adequate information about its products or services to customers in order for them to make better purchasing decisions (Warsame et al., 2021). In addition, extant studies found a positive relationship between the informativeness of social media advertising and purchase intention (Warsame et al., 2021). Entertainment fulfills a user's desires for distraction, virtual, and emotional pleasure, and it has been demonstrated to have a substantial positive relationship with advertising value (Ameen & Mustafi, 2020). Interactivity is an information-related process that occurs in a person's mind during the interaction when the person assimilates the meanings and interpretations of symbols (Ariel, 2015). Interactivity positively impacts purchase intent (McMillan & Hwang, 2002).

In general, a consumer's sense of the truth and trust in advertising is referred to as advertising credibility (Nabila & Achyar, 2019). Past studies show a clear correlation between social media and credibility (Milaković et al., 2020).

According to past studies, given the popularity of these sites, EWOM-based social network marketing has emerged as a critical component of brand communication strategies, with a significant impact on consumer decision-making (Daugherty, 2009).

METHODOLOGY

The research is quantitative cross-sectional research grounded on a deductive approach. Data was collected through a structured online questionnaire from 384 (based on the Morgan table) respondents selected through a convenient sample technique. The data were analyzed using the SPSS software, and descriptive, correlation and regression analyses were performed.

The conceptual framework for the study is depicted in the diagram below, which the researcher established after examining relevant literature in the field.

A conceptual framework can be considered as the study's backbone. It is refining a construct or concept by assigning a conceptual definition. The conceptual framework is used to show the relationship between the variables in the research. This framework guides the research.

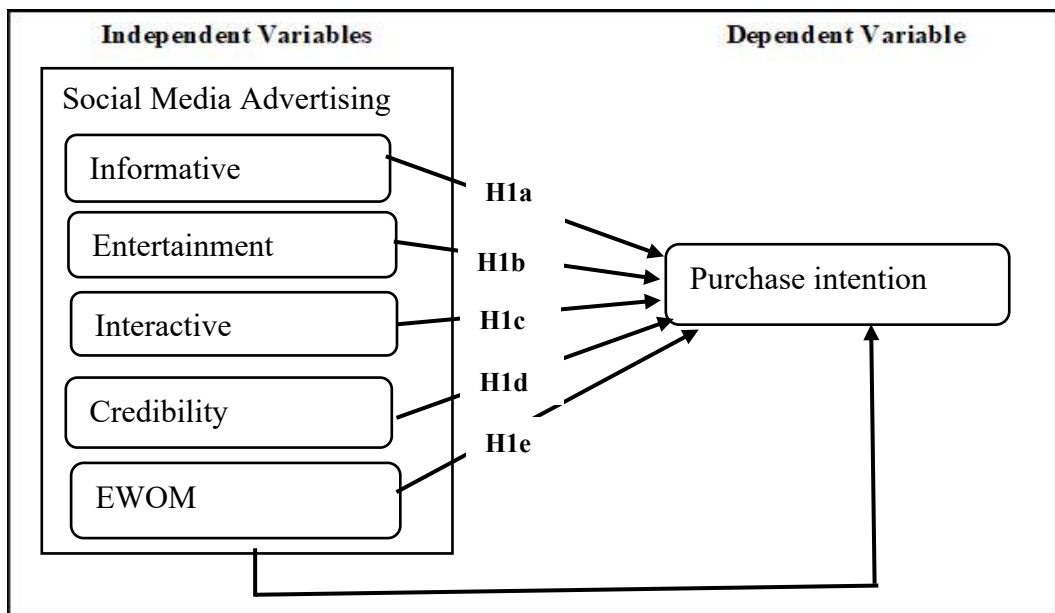


Figure 1 Conceptual Framework

According to the literature, the research hypotheses are as follows. Past studies have found that social media marketing efforts significantly impact perceived value, with implications for involvement, satisfaction, continuation, and purchasing intent (Warsame et al., 2021).

Therefore, based on the above literature, this research articulates the following hypothesis:

H₁: There is a significant positive impact of social media advertising on consumer purchase intention.

According to Lee and Hong (2016), informativeness influences customers' responses to social media ads, impacting their propensity to purchase the goods offered by social media advertising (Lee & Hong, 2016). Therefore, based on the above literature, this research articulates the following hypothesis:

H_{1a}: There is a significant positive impact of social media advertising informativeness on consumer purchase intention.

Reza et al. (2020), looked into the impact of social media advertising elements on purchasing intent and found that entertainment positively impacted customers' purchasing intentions (Reza et al., 2020). Therefore, primarily based on the above, this research articulates the following hypothesis:

H_{1b}: There is a significant positive impact of social media advertising entertainment on consumer purchase intention.

According to past studies, customers' online purchasing behaviour is also shaped by interactivity (Alalwan, 2018). Previous research has observed that interactivity improves emblem preference, repurchase intention, and loyalty (Han, 2017).

Therefore, primarily based on the above, this research articulates the following hypothesis:

H_{1c}: There is a significant positive impact of social media advertising interactivity on consumer purchase intention.

Ads on social media extensively appear as a dependable source of product information (Arora, 2019). Consumers' attitudes toward advertising are positively influenced by the credibility of the advertising message (Haghirian & Madlberger, 2005).

Therefore, primarily based on the above, this research articulates the following hypothesis:

H_{1d}: There is a significant positive impact of social media advertising credibility on consumer purchase intention.

Wang et al. (2012) found that using social media for electronic word-of-mouth communications favours purchase intentions in two ways. They had a right-away effect on conformance and an oblique effect on product involvement consolidation (Wang et al., 2012).

H_{1e}: There is a significant positive impact of social media advertising electronic word of mouth on consumer purchase intention.

RESULTS AND DISCUSSION

The demographic characteristics of the study included the gender, age category, education, and income level of the respondents. Of the 384 respondents, 201 had been diagnosed as

females, which amounted to 52.34% of the entire sample, and 183 were males, which amounted to 47.64% of the total sample. A bulk of the respondents in the sample were between the ages of 21 and 40, accounting for 60.16%, with the age group 41–60 accounting for the second most significant percentage. Regarding education, most respondents (35.68%) were undergraduates, followed by advanced level (20.57%), and 18.23% had a graduate degree. Regarding average monthly earnings, 36.20% earned less than Rs.20 000, while the remaining 25.78% earned between Rs.40 000 and Rs.60 000. Regarding smartphone brands, most respondents (35.42%) prefer Samsung, followed by Huawei at 21.35% and Oppo at 10.68 %. The rest of the respondents use various brands. Facebook is the most popular social media platform among the respondents. According to the data, 45.57% of those in the sample responded.

Most of the respondents in the sample (138) spend between 1 and 2 hours daily on social media platforms. Only 1.04% of people never use social media platforms based on advertisements to decide to purchase smartphones, but 39.32% of people frequently use social media platforms to find information about smartphones that lead their purchasing intention towards a smartphone.

Reliability testing was used to establish the structures' internal consistency. It assesses a research study's reliability, accuracy, repeatability, and consistency.

Table 1 Reliability Analysis

Construct	Cronbach's Alpha	N of Items
Informative	0.762	5
Entertainment	0.809	4
Interactive	0.782	5
Credibility	0.817	4
E-WOM	0.819	4
Purchase Intention	0.777	4
Total Reliability	0.951	26

The data were first tested for reliability using Cronbach's Alpha to assess reliability. According to the reliability analysis results, the alpha value for each independent and dependent variable is more significant than 0.7. Moreover, it should be between 0.7 and 1.0

The value of the component matrix must be greater than 0.5 (Nabila & Achyar, 2019). The Kaiser-Meyer-Olkin (KMO) values obtained are 0.791, 0.795, 0.818, 0.770, and 0.779, respectively. According to the sample adequacy results of Kaiser-Meyer-Olkin (KMO) values,

it is clear that all the values are acceptable because they are greater than 0.5 (Ameen & Mustafi, 2020).

An overall regression model was used in the study to determine the relevance of each independent variable to the dependent variable.

Table 2 Coefficient Results of Multiple Regression Analysis

Model	Unstandardized		Standardized	t	Sig.
	Coefficients		Coefficients		
	B	Std. Error	Beta		
(Constant)	.139	.144		.967	.334
Informative	.208	.055	.184	3.751	.000
1 Entertainment	.117	.045	.122	2.613	.009
Interactive	.215	.055	.201	3.898	.000
Credibility	.344	.049	.361	6.985	.000
EWOM_	.058	.043	.061	1.331	.184

Hypothesis (H1a,H1b,H1c,H1d,H1e)

DV = Purchase intention

$R^2 = 0.679$

F =806.516

P= 0.00

R Square was 0.679 in the regression analysis, and R2 can explain 67.9% of changes in consumer purchasing behavior. Other variables not included in the study can account for the remaining 32.1%. According to the above regression coefficient, the independent variables indicate that these variables positively and significantly influence consumers' purchase intention. The informative regression coefficient demonstrates a positive and significant influence on purchasing intent ($\beta=0.208$, $p<0.000$). According to the coefficient table, the sig value of informative is 0.000, which is less than 0.05, indicating that informative has a significant impact on consumer purchase intention.

According to the entertainment regression coefficient ($\beta=0.117$, $P<0.009$), it positively and significantly affects consumer purchasing intent. The significance value is 0.009, which is less than 0.05. As a result, entertainment has a substantial impact on customer purchasing intention. The regression coefficient for the interactive was ($\beta=0.215$, $P=0.000$), indicating that it positively impacts consumer purchase intention. The significant value is 0.000, which is less than 0.05. Therefore, there is a significant impact of interaction on consumer purchase intention.

According to the preceding table, the credibility regression coefficient has a significant positive impact on customer loyalty ($\beta=0.344$, $P<0.000$). The level of significance is 0.000, which is less than 0.05. As a result, credibility has a substantial impact on consumer purchasing intention.

The E-wom regression coefficient was ($\beta=0.058$, $P=0.184$), indicating that it positively influences consumer purchase intention. However, this result does not support the (H5) hypothesis because the P-value was more significant than 0.05.

This result of Table 2 supports the hypotheses H1, H1a, H1b, H1c, and H1d of the study. However, this result does not support the (H1e) hypothesis because the P-value is more significant than 0.05.

Table 3 Hypothesis Testing Summary

Hypothesis	correlation		Decision	Regression		Decision
	r	p		B	P	
H ₁ :	0.824	0.000	Accepted	0.945	0.000	Supported
H _{1a} :	0.730	0.000	Accepted	0.208	0.000	Supported
H _{1b} :	0.701	0.000	Accepted	0.117	0.009	Supported
H _{1c} :	0.743	0.000	Accepted	0.215	0.000	Supported
H _{1d} :	0.784	0.000	Accepted	0.344	0.000	Supported
H _{1e} :	0.665	0.000	Accepted	0.58	0.184	Not Supported

According to the correlation results in Table 3, the dependent variable has a strong positive association with all of the independent variables. Furthermore, because P values are between 0.00 and 0.05, all of the variables' relationships were statistically significant at the 95 percent confidence level. The results of the correlation study were further supported with regression analysis. However, the H1e hypothesis was rejected because the regression p-value was more than 0.05.

CONCLUSIONS AND IMPLICATIONS

This research aimed to look at the impact of social media advertising on consumer purchase intentions in the Sri Lankan smartphone market. Research shows that informative, entertaining, interactive, and credible are all necessary components in social media advertising to increase consumer purchase intention and promote positive electronic word of mouth. The study provides empirical support for the Uses and Gratifications Theory's suitability for social networks, new advertising, and marketing platform. The study provides a deeper understanding of social media marketing and advertising. The research will aid marketing managers in creating, planning, and executing powerful smartphone advertising strategies and programs. This knowledge will benefit businesses as they plan their investments and coordinate their resources to gain customers.

Keywords: Purchase intention, smartphone, social media advertising

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NUTRITIONAL TRAFFIC LIGHT LABELLING: DRIVERS AND OUTCOMES

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INTRODUCTION

The increasing demand for a healthy lifestyle has brought about the use of labels to assist consumer decision-making by alleviating information asymmetry. The front-of-package labels are actions taken to improve the food environment by lessening the impacts of Non-Communicable Diseases (NCDs) (Jauregui et al., 2020). Diabetes has doubled from 1980-2014, whereas the prevalence of obesity has tripled since 1975. Diabetes, obesity, and other chronic diseases are primarily driven by consumers' unhealthy food consumption patterns, including sugar-loaded soft drinks. Nevertheless, the Nutritional Traffic Light (NTL) labeling related to carbonated sweetened beverages remains in its infancy, and limited evidence is available in the literature when analyzing its impacts on consumption patterns globally (Gupta et al., 2020; Reboucas, 2019). Sri Lanka, as the study context, was driven by several factors. WHO (World Health Organization) has identified Sri Lanka as a developing country with 11.3% of diabetic patients in the 20-79 as of 2021. Therefore, to minimize the threat and prevalence of potential NCDs and to educate consumers on the nutritional value of packaged food, the Ministry of Health introduced the NTL colour coding system for the soft drinks industry in 2016. The NTL label is a novel concept in the carbonated soft drinks industry to support consumers to buy healthy food and maintain better health, which is relatively underexplored in the Sri Lankan context. Therefore, this study aims to shed light on the consumer-related drivers affecting the attitude toward NTL labeling and its impact on purchase intention among soft drinks consumers in the western province of Sri Lanka.

Our study has the following contributions. Firstly, this is one of the early studies to determine the drivers that affect the attitude toward NTL labeling and its impact on the consumers' purchase intentions in the Sri Lankan context. Secondly, the study expects to draw the attention of policymakers to the need to improve nutrition awareness programs aiming NDCs and NTL labeling to enhance consumers' knowledge, consciousness, and nutrition self-efficacy (Madhusanka et al., 2021). Thirdly, the findings are imperative for marketers and manufacturers to invest more time and resources in developing soft drinks with low sugar levels.

METHODOLOGY

After an extensive literature review, the study develops its theoretical model (Figure 1) by incorporating three drivers: health consciousness, nutrition knowledge, and nutrition self-efficacy.

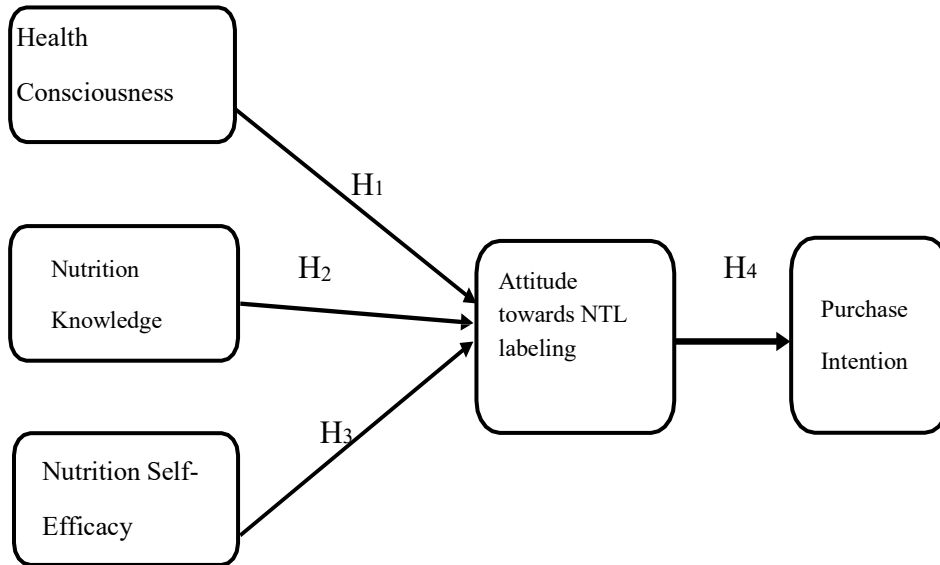


Figure 1 Conceptual Framework

Health consciousness is the willingness to focus on one's self, actions, thoughts, or emotions related to health and the readiness to commit to healthiness-promoting behaviours. Prior studies have indicated that health consciousness positively influences the attitude towards nutrition labels (Satia et al., 2005). Nutrition knowledge also creates a path and allows consumers to keep information related to nutrition or health facts in mind, which may improve decision-making concerning food label use and dietary habits and understanding nutrition labels correctly. Moreover, prior studies found that nutrition knowledge positively affects attitude towards the nutritional label (Zainol et al., 2021). Linde et al. (2006) have asserted that people with a high level of self-efficacy are highly motivated to engage in health and diet-related activities vis-à-vis people with low self-efficacy levels. Hence it is a more significant predictor of health outcomes. Extant literature reveals that nutrition self-efficacy positively influences consumer attitudes (Anderson et al., 2007; Hsien et al., 2015). A consumer's attitude has been a crucial concept in behavioural studies and has played a vital role in consumer purchase intentions (Kodali & Telaprolu, 2017). Previous literature findings revealed that attitude toward nutritional labelling positively influences consumer purchase intentions (Grummon & Hall, 2020; Reboucas et al., 2019). Therefore, the current study has identified the following hypotheses for the present study.

- H1: Health consciousness has a positive influence on attitude towards NTL labelling
- H2: Nutrition knowledge has a positive influence on attitude towards NTL labelling
- H3: Nutrition self-efficacy has a positive influence on attitude towards NTL labelling
- H4: Attitude towards NTL labeling positively influences purchase intention of soft drinks

The study employs a deductive approach with a cross-sectional design commonly used in similar consumer behavior-related studies (Kodali & Telaprolu, 2017). The study population consists of soft drink consumers living in the Western province of Sri Lanka, given it is the first-level administrative division and the most populated region with the highest median monthly income per person in Sri Lanka. The study sample was limited to 200 soft drink consumers in the Western province with the restrictions experienced amidst the fourth wave

of the Covid-19 Pandemic. The convenience sampling technique was adopted due to the unavailability of a sample frame. A quantitative research design was employed where primary data were collected using a self-administered questionnaire. The reliability and validity of the constructs were examined, and the reliability coefficient and AVE of the constructs were above the threshold levels ($\alpha > .70$, $CR > .70$). The discriminant validity was also confirmed as the square root of the AVE of variables are higher than the correlation between variables. Multiple logistic regression analysis was employed to test the first three hypotheses. Multinomial logistic regression was used to test the fourth hypothesis, given that purchase intention is a nominal categorical variable.

RESULTS AND DISCUSSION

Amongst the respondents, it was noted that 72.7%, 15.3%, and 11.9% of respondents were from Colombo, Gampaha, and Kalutara districts, respectively. 60.8% of the sample were females, and 39.2% were males. Most of the respondents (75.6%) were between 20 - 30 years, 17.6% were in the 30 - 39 age category, and 6.8% were in the 40 - 49 age category. Before applying the multiple regression, data were tested for residual normality, linearity, and heteroscedasticity. The Durbin Watson test results suggested autocorrelation was absent, given that the coefficients are within the 0-4 range (Gujarati, 2009). The threat of multicollinearity was unlikely since Tolerance ($< .1$) and VIF (.10) were within the accepted range. Table 1, the Adjusted R² value shows that the independent variables explain 40.3% of the attitude towards NTL labelling variance. The regression results depict a positive and significant effect of nutrition self-efficacy on the attitude toward NTL labelling ($\beta = 0.377$, $p < .05$), which supports hypothesis - H1. This is consistent with the study findings by Hsien et al. (2015), who asserted that nutrition self-efficacy positively affects attitude towards nutrition labels.

Further, a significant positive relationship was observed between nutrition knowledge and the attitude towards NTL labeling ($p < .05$), consistent with the hypothesis - H2. The results are similar to previous findings of Zainol et al. (2021), who found a positive effect of nutrition knowledge on attitude towards nutrition labels. Furthermore, a significant positive relationship between health consciousness and attitude towards NTL labelling was identified ($\beta = 0.213$, $p < .05$), supporting the hypothesis - H3. The findings comply with study results by Satia et al. (2005), who illustrated that health consciousness positively affects attitude towards nutrition labels. Consequently, the study results depict that nutrition self-efficacy, nutrition knowledge, and health consciousness of consumers are the key drivers of attitude toward NTL labeling; thus providing nutritional information about products can steer consumers to make healthier food choices.

The Multinomial Logistic Regression analysis (Table 1, Model 2) was used to predict the effects of attitude towards labelling on purchase intention. The Chi-square value of 8.837 suggests a significant relationship between the purchase intention and attitude towards NTL labelling. The test results support hypothesis - H4. This study's findings support previous findings of Grummon & Hall (2020). Further, Cox and Snell R² suggest that attitude towards NTL labelling explains 4.9% of the variability of purchase intention. In contrast, Nagelkerke R² posits that attitude towards NTL labelling explains 5.7% of the variation in the purchase intentions of the customers.

Table 1 Regression results

Model 1 (Multiple Regression)	
Constant	0.742
Health Consciousness	0.207* (0.072)
Nutrition Knowledge	0.198* (0.065)
Nutrition Self-Efficacy	0.343* (0.060)
Adj. R ²	0.413
F value	40.311
p-value	0.000
Model 2 (Multinomial Logistic Regression)	
Model coefficient χ^2	8.837
Significance	0.012
Cox and Snell R ²	0.049
Nagelkerke R ²	0.057

Notes: *, ** indicates significance at the 5% and 10% levels, respectively (2-tailed). Standard error in parenthesis.

CONCLUSIONS AND IMPLICATIONS

The study's findings reveal that nutrition self-efficacy, knowledge, and health consciousness drive the attitude towards NTL labelling. Similarly, attitude toward NTL labelling had a significant favorable influence on purchase intention. The study findings are imperative to understand consumers' attitudes towards NTL labelling, a relatively novel concept in Sri Lanka. Further, the study's outcomes have several implications for manufacturers and marketers of the non-alcoholic beverage industry. The study result indicates that consumers often make informed decisions given their preference to consume soft drinks with low sugar levels, making it vital for the industry to invest more resources and time in making low-sugar beverages to reach new market segments. Policymakers and other Health authorities may use primary healthcare facilities to undertake awareness programs on food labelling and its advantages to enhance consumer knowledge, shape their behaviour and make them more health-conscious to prevent lifestyle-related disorders. Nutrition labelling awareness campaigns, in conjunction with complementary strategies such as pricing strategies aimed at the population that is less aware of NTL, could further promote healthier beverage consumption in the context of Sri Lanka. This is imperative as Sri Lanka is a developing economy with a relatively higher diabetic prevalence rate which is on the verge of increasing. The current research has certain limitations. The study sample is limited to the Western province of Sri Lanka and employed the convenience sampling technique given the difficulties experienced when collecting data amidst the fourth wave of the Covid-19 pandemic in Sri Lanka. Hence, there can be limitations in generalizing the study findings to the entire population. Moreover, further research may uncover more self-regulation drivers since this study only examined three individual-level self-regulation variables to assess attitudes toward NTL labelling. Further, future studies could incorporate traffic light labels available on solid food items to identify the impact on purchase intention or to determine whether the public is aware of multiple traffic light labelling on solid food and beverages.

Keywords: Health consciousness, nutrition knowledge, nutrition self-efficacy, nutrition traffic light labeling, purchase intention

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THE IMPACT OF SUPPLY CHAIN VULNERABILITY ON SUPPLY CHAIN PERFORMANCE DURING THE COVID-19 PERIOD WITH SPECIAL REFERENCE TO GENERAL TRADE IN GAMPAHA DISTRICT

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INTRODUCTION

The supply chain performance is dependent on the businesses' resilience and capacity to face internal and external obstacles. The researchers used a variety of theoretical frameworks, such as supply chain vulnerability, supply chain uncertainty, supply chain disruption, and supply chain risk, to identify potential or likely supply chain internal and external disturbances (Abeysekara et al., 2019). This study has identified supply chain performance using the theoretical framework of supply chain vulnerability. Supply chain vulnerability can be defined as a function of specific supply chain characteristics. Losses suffered by companies result from the supply chain's vulnerability to a given supply chain disruption. Today it is a relatively new and unexplored area in research management, but its importance is growing (Peck, 2005).

According to the Cranfield University School of Management (2002), they found that

- Supply chain vulnerability is a critical business issue.
- The least number of research has been undertaken into supply chain vulnerabilities.
- Awareness of the subject is poor.
- There is a need for a methodology to manage supply chain vulnerability.

Vulnerability in the supply chain can also be measured and managed at various levels, such as the entire economy, industry, supply chain, or focal firm (Wagner & Neshat, 2012). The researchers concentrated on general trade in the Gampaha district, identifying supply chain vulnerabilities by considering the focal firm. COVID-19 has disrupted the global supply chain, exposing dangerous gaps and vulnerabilities, according to Liu et al. (2016). While the pandemic has short-term and long-term effects on the retail supply chain (RSC), organizations must develop strategies to survive and operate in this situation regardless of the spread of the coronavirus. The impact of supply chain vulnerability on supply chain performance during the COVID-19 period was studied in this study, with particular reference to general trade in the Gampaha district, because Sri Lanka's unique tactic was that not all districts were subjected to the same level of lockdown and many Sri Lanka have endured economic challenges in recent months as a result of a protracted lockdown period that began on March 20th in Colombo and Gampaha districts and lasted until the middle of April. While Colombo and Gampaha experienced the most severe lockdown, the other areas experienced significantly less (Hettiarachchi et al., 2020). And some research in this area has been conducted in developed countries using a different model to measure supply chain vulnerability. Some

research found a significant impact of supply chain vulnerability on supply chain performance. This research aims to determine the impact of supply chain vulnerability on supply chain performance during the COVID-19 period, with a focus on general trade in the Gampaha district.

METHODOLOGY

This study falls under the basic research category. Basic research is used to generate a body of knowledge to improve understanding of specific problems that frequently occur in organizations and to seek solutions (Sekaran, 2003). Furthermore, the research approach is quantitative because quantitative research develops statistics through large-scale survey research using tools such as questionnaires or structured interview procedures (Sekaran, 2003). And the unit of analysis was used to collect responses from general trade retailers in the Gampaha district. refers to the level of data aggregation achieved during the data analysis stage (Sekaran, 2003). This study aimed at supply chain performance leads to data collection from general trade retailers. As a result, the unit of analysis for this research study was a retailer. An online questionnaire

According to Sekaran (1975), the researcher chose a sample size of 150 male and female retailers from various age groups, genders, and income levels in the Gampaha district. When it comes to conceptual framework is a model that shows how one theorizes or logically constructs the links between identified factors that are significant to the problem (Sekaran, 2003). It also illustrated how the research study addressed its questions and objectives. The dependent variable was supply chain performance. By taking into account the dimensions of the bullwhip effect, order fulfilment, supply base optimization, and ICT integration, supply chain vulnerability is identified as the independent variable in this study.

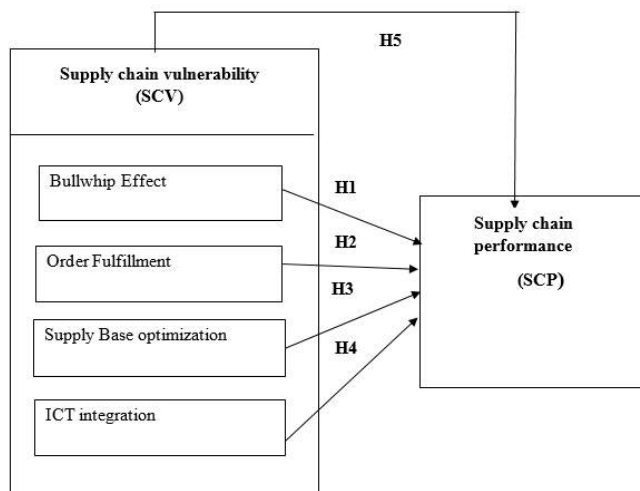


Figure 1 Conceptual framework

Hypothesis means a logically conjectured relationship between two or more variables expressed in the form of a testable statement (Sekaran, 2003). The researcher has developed directional and causal hypotheses to test the explanatory power of independent variables on supply chain performance.

H₁ - There is a significant impact of the Bullwhip effect on supply chain performance during the COVID-19 period.

H₂ - There is a significant impact of Order fulfilment on supply chain performance during the COVID-19 period.

H₃ - There is a significant impact of Supply base optimization on supply chain performance during the COVID-19 period.

H₄ - There is a significant impact of ICT integration on supply chain performance during the COVID-19 period.

H₅ - There is a significant impact of supply chain vulnerability on supply chain performance during the COVID-19 period.

RESULTS AND DISCUSSION

In this study, five hypotheses were tested to identify the impact of independent variables on the dependent variable. Also, correlation analysis and regression analysis were performed with the assistance of the Statistical Package for Social science (SPSS) version 25. KMO value in each dimension is greater than 0.8. The result of 0.8 and above value implies the adequacy of the sample size of the attribute to use as a single dimension. And also, the ANOVA table was significant at 0.000 ($p < 0.005$), Hence, the researcher can be told that this study is valid among the other research. According to Sekaran and Bougie (2016), the reliability test aims to examine whether the indicators regarding each construct are internally consistent and whether they can use to measure the same construct or dimension of research variables. To access the internal consistency of the variables, the researcher conducted a reliability test.

In this study, all the Cronbach's Alpha values were greater than 0.7, $p < 0.005$. Therefore internal consistency was excellent, and the research tool was reliable and will give credible results. The summary of the model in which the item of interest is the R^2 statistics, which is 0.418 with a statistical significance of $P < 0.05$. This suggests that 41.8% of the variants in the supply chain performance (outcome) were predicted from the level of supply chain vulnerability (predictors) and remain 58.2% of supply chain performance is described by the other factors which exist beyond the study. According to the results of the study, the adjusted R^2 was 0.402. There is no accepted rule to measure the goodness of R^2 and adjusted R^2 and the values of the study are a sufficient level, and the Durbin-Watson statistic was 1.624. This means that the independence of the observations has been met.

And also, Pearson's correlation analysis identifies the relationship between the independent variable (SCV) and the dependent variable (SCP). All the independent variables were significant at the level of 0.01. The level of significance between the independent variables and the dependent variable was determined using multiple regression analysis. It found that the impact of BWE, OF, SBO, and ICT integration on supply chain performance during the COVID-19 period, BWE and OF variables have a significant impact. Still, SBO and ICT integration variables have an insignificant impact on supply chain performance during the COVID-19 period.

Table 1 Summary of Hypothesis testing result

Hypothesis	Correlation		Decision	Regression		Decision	Final Decision
	r	p		B	p		
Hypothesis 1	-0.415	0.000	Accepted	-0.251	0.035	Accepted	Fully supported
Hypothesis 2	0.536	0.000	Accepted	0.483	0.000	Accepted	Fully supported
Hypothesis 3	-0.378	0.000	Accepted	-0.176	0.178	Rejected	Partially Supported
Hypothesis 4	-0.304	0.000	Accepted	0.027	0.819	Rejected	Partially Supported
Hypothesis 5	-0.235	0.004	Accepted	-0.338	0.004	Accepted	Fully Supported

CONCLUSIONS AND IMPLICATIONS

Order fulfilment have an impact on supply chain performance because most general trade retailers refused to fulfil orders during the COVID-19 period. According to the study, retailers should fill customer orders using the cost-benefit analysis, JIT method, and Bin card system. According to the theoretical framework of RBV (Burney, 1991), general trade retailers should consider three types of resources: physical capital, human capital, and organizational capital. It means that having enough resources is the most important factor in dealing with a supply chain vulnerability when doing general trade business. Retailers should adapt to the stock recording system and have knowledge of inventory management and demand forecasting because this study discovered that poor order fulfilment and BWE significantly impacted supply chain performance during the COVID-19 period.

This study can be recognized as social science research because the results depend on the retailer's perceptions. They didn't always provide accurate information, and the researcher couldn't argue or change their behaviour or attitudes. It was a significant limitation when conducting this study. If future research can use supply chain vulnerability measurement tools, such as the analytical approach, to determine the level of impact of SCV. It may be reliable to increase the research's validity. Furthermore, the researcher encountered a literature gap in supply chain vulnerability studies and significant limitations in supply chain vulnerability measurement methods (Nowakowski, Werbińska-Wojciechowska, & Chlebus, 2015).

Keywords: Bullwhip effect, ICT integration, order fulfillment, supply base optimization, supply chain performance

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STUDY OF CUSTOMER SATISFACTION IN COOPERATIVE BANKS IN PUNE DISTRICT OF INDIA

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INTRODUCTION

According to the Central Bank, the market size of Indian banking is colossal and all-around directed. The accentuation is more on furnishing further developed financial administrations with state-of-the-art innovation. The financial business is becoming increasingly more client driven with reasonable banking and inventive methodology. The Urban Co-usable Banks have become a significant feature for the financial manageability of India. These sorts of banks principally assist the more vulnerable parts of the general public and different areas like Health, Education, Agriculture, Cottage Industries, and Small-Scale Industries. The Urban Co-employable development gave a superior substitution to control of cash moneylenders. The principal point of such a financial framework is to cater to the banking and credit need of the center or lower working class which incorporates private companies, artisans, assembly line labourers, or individuals with a local pay source. Accordingly, to become effective, it becomes fundamental for metropolitan co-usable social orders to satisfy the need and offer palatable types of assistance to their clients.

Consumer loyalty can be characterized as worth, quality, and Fulfillment. As per Fečiková (2004), esteem is associated with administration offered any sum paid in return, quality alludes to addressing the client's requirements and assumptions, while Fulfillment could be portrayed as associations addressing the necessities or needs of their clients. Since banks work in a believed industry, high Fulfillment from clients is considered essential for future endurance and pertinence. Moreover, the significance of a bank model can be exhibited through the consequence of consumer loyalty; it has, of late, shown the significance of what it means for an association's income. Saving money with a high degree of consumer loyalty is bound to have expanded benefits contrasted with contenders with lower levels of consumer loyalty. A co-usable bank is a monetary substance that has a place with its individuals, who are simultaneously the proprietors and the clients of their bank. It is frequently settled by individuals having a place with a similar nearby or proficient local area having a specific interest. It is framed to advance the upliftment of monetarily more fragile areas of the general public and to safeguard them from the grip of cash moneylenders who give credits at a nonsensically exorbitant loan cost to the penniless. The co-employable design is planned on the standards of participation, shared help, majority rule independent direction, and open enrollment. It follows the guideline of 'one investor, one vote' and 'no benefit, no misfortune.' Functions of Co-operative Banks are it furnishes monetary help to individuals with little means and safeguards them from the hooks of cash banks giving credits and different administrations at a higher rate to the detriment of the penniless; It oversees and directs partnered social orders; Country funding Supports rural areas like dairy cattle cultivating, crop cultivating, bring forth, and so on at relatively lower rates; Metropolitan supporting funds limited scope ventures, individual budget, home money, and so forth; It assembles assets from its individuals and gives revenue on the contributed capital. Nakhuda (2016), in their article on "Elements

that Determine Customer Satisfaction in Banking Institutions: Evidence From Indian Banking Industry," characterized that 'Fulfillment is a general client demeanor or conduct towards a specialist co-op, or a profound response towards the distinction between what clients expect and what they get, in regards to the satisfaction of some longing, need or objective. Extant studies discovered that there is no critical connection between the segment factors and consumer loyalty except the decision of the bank and the situation with a local location. Further, they brought up that clients have an uplifting perspective towards the administrations delivered by Malappuram Service Co-employable Bank. The creator thought about following boundaries to know Fulfillment and discernment regarding the bank - Document conventions, Interest rates borrowed, Convenience to arrive at the bank, Relationship of representatives, Overall administrations, Modern gear/innovation utilized, Time is taken for activities, virtual offices of the bank, Employees demeanor and conduct, Bank intrigues in client's tackling issues and Convenience of working hours. Sharmi and Prabhakar (2017) composed an article on "Consumer loyalty in Imphal Urban Co-employable Bank Ltd, Manipur." The pair thought about Reliability, Empathy, Responsiveness, Assurance, and Tangibility as a trait for grasping consumer loyalty. The outcome was nonpartisan towards every one of the perspectives. The creator underlined the requirement for the foundation of an expert connection with client strengthening. Radhakrishnan (2018), in his examination work to be specific, "Consumer loyalty in Cooperative Banks in Comparison with Nationalized Banks with Special Reference to Palakkad District," looked at the consumer loyalty level. The creator reasoned that there is no massive distinction between the consumer loyalty angle connected with public and metropolitan agreeable banks even though these banks provide food and the necessities of the various fragments of the general public with the changed financial foundation.

Olorunniwo et al. (2006) centered this essential to check the bury connections between the administration's experience Customer's Satisfaction and fix Value and their prompt immediate and aberrant impacts on clients' objective results inside the kind of Behavioural Intentions. The review is led through exploratory and illustrative strategies for research. The review makes critical commitments by creating a proportion of consumer loyalty's Service of banking administrations in an Indian setting, by adding to the joint discussion by laying out that administrations built which redid sizes of fulfillment level became created and approved depending on the help setting. The concentration additionally underscores the significance of Service Value in improving steadfastness related Behavioral Intentions of shoppers.

John and Thoomkuzhy (2018) have investigated the fulfillment level of the clients profiting from the bank and break down the administration quality elements of the Pathanamthitta District Co-usable banks. It additionally targets creating techniques to support the norm of administrations and to recommend elective approaches to further developing client solace. There are many variables controlling their fulfillment level.

METHODOLOGY

Research philosophy is a system for gathering a wide range of data and information relating to the subject. The goal is to analyze every one of the issues in question and lead situational examination. The technique incorporates the general exploration configuration, testing strategy and hands-on work done, and, at last, the examination system. The predictable test study's procedure used in the review utilizes both essential and optional information. The meeting plan's inquiries were primarily dichotomous and five-point Likert scale questions. Additional information has been gathered from books, diaries, papers, periodicals, reports,

and the web. Measurements devices utilized in this study are essential rate examination and weighted regular examination.

RESULTS AND DISCUSSION

The Result Analysis comprises of a study directed with the assistance of surveys. The survey was filled by 100 people of various age bunches who are client of these co-usable banks.

Table 1 Age of the Respondents

	Frequency	Percentage
22-35	35	35%
36-49	50	50%
Above 49	25	25%

As per (Table 1), 35% of respondents belonged to the 22-35 years group. 50% of respondents belonged to the 36-49 year category. 25% of respondents belonged to the above 49 years Group.

Table 2 Gender of Respondents

	Frequency	Percentage
Male	70	70%
Female	30	30%

As per the above table, 70% of respondents are Male and the rest 30% of respondents are Female.

Table 3 shows the responses to the “What kind of account you are holding in the bank?”

Table 3 Responses for the Question 01

	F	%
Current A/c	13	13%
Fixed Deposit A/c	15	15%
Saving A/c	60	60%
Cash Credit A/c	12	12%

Hence we can say that after seeing the pie diagram of the type of account holding, 60% have a saving account, 15% have a fixed deposit account, 13% have a current account, and significantly less % of respondents have a cash credit account.

Table 4 shows the responses to “Have you opted for the below-mentioned services?”

Table 4 Responses for the Question 02

	F	%
ATM	45	45%
Net Banking	30	30%
Mobile Banking	15	15%
Others	10	10%

Table 4 indicated that 45% of the respondents have opted for the ATM service and the rest have opted for different services of the bank shown above in the pie diagram.

CONCLUSIONS AND IMPLICATIONS

Co-usable banks are habitually framed by people having a place with a similar nearby or proficient local area or sharing a typical premium and give a large number of banking and monetary administrations like credits, stores, banking accounts, and so forth to the individuals. The banks were directed many examinations to comprehend how their items and administrations met or surpassed client assumptions for the enhancements of execution or nature of administration. This study showed an upbeat assessment of the assistance of banks and the way of behaving of representatives for delivering administrations. Compared with other private and public banks, co-employable banks are more unfortunate in the reception of innovation and current hardware. Progressively the co-usable banks will take on more present-day advances for confronting rivalry and make their administrations more subjective.

Keywords: Banking administrations, customer satisfaction, urban co-operative banks

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THE IMPACT OF E-SERVICE QUALITY ON ONLINE CUSTOMERS' LOYALTY AMONG SUPERMARKETS IN THE KALUTARA DISTRICT

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INTRODUCTION

This study aims to investigate the factors that influence customer loyalty in terms of E-services Quality (ESQ) among supermarket customers in the Kaluthara District. It encourages researchers to analyze the factors which should be prioritized when determining customer loyalty in this market. Accordingly, this study examines the ESQ dimensions that influence customer loyalty in Sri Lankan supermarkets when shopping online. In many countries, researchers have examined the impact of ESQ on online shopping customer loyalty and found that ESQ is essential. However, in Sri Lanka, there are fewer findings about the impact of ESQ online shopping on customer loyalty in the supermarket sector. That makes a researchable gap in researching the impact of ESQ on online shopping customer loyalty.

There is a new trend in online shopping due to the life cycle of most people living in the current society. Further, according to Wellwa (2014), the global use of the internet is rapidly increasing. Since 2000, global internet usage has increased by 444.8 %, with internet penetration at 28.7% of the global population. The Asian region has grown at 621.8 percent, with a 21.5 % penetration. In 2010, there were 1,931 million Internet users worldwide; by 2014, this number is expected to rise to 2,517 million. As a result, there is no uncertainty about the internet's global appeal in the future (Wellwa, 2014). The COVID-19-19 outbreak, which caused most businesses to fail and resulted in a global pandemic, is the most recent example. Due to hygiene concerns, customers were advised to place orders through online shopping websites and then have their orders delivered to their homes (Minimol, 2018). According to Borovkov (2017), there is a positive effect of the ESQ on online customer loyalty in supermarkets, and the same is supported by existing studies begun to address the absence of human contact by examining the impact of ESQ on customer loyalty. Many studies have a narrow single-channel approach, which fails to comprehend the nature of these services. In particular, in a marketing channel setting, the effects of ESQ are more complicated: Customer behavior towards the e-service, and customer channel behaviour across the many channels given by the service provider, may be influenced by ESQ (Sousa & Voss, 2014). Also, there is a positive effect of ESQ on online shopping customer loyalty in supermarkets (Sundaram et al., 2017).

Raval and Bhatt (2020) stated that the supermarket sector should provide a quick and dependable service dimension, such as prompt responses to queries and accurate and timely service deliveries. If online platform providers fail to deliver on time due to a lack of communication between channel partners, their business opportunities will be hampered. They should provide personalized service based on delivery time, product selection, and quantity. With new IT-enabled services, businesses should also focus on supply and logistics and query handling (Raval & Bhatt, 2020). Farisa (2018) has found that three aspects of e-service quality:

website design, security/privacy, and fulfillment all have a positive impact on overall ESQ. Customer satisfaction and loyalty are inextricably linked to the quality of electronic services (Farisa, 2018). Further, Privacy and individualized attention are the dimensions of ESQ. Customers' higher-order evaluations of websites are heavily influenced by their privacy concerns. Customers' information can be protected when retailers update their security techniques. Customers are usually concerned about the secrecy around their data. Customers go to obtain their requirements from retailers who have robust privacy policies. It aids in the increase of client repurchasing intent and loyalty (Farisa, 2018). Therefore, the study expects to shed light on the ESQ and its dimensions affecting customer loyalty among supermarket customers in the Kalutara district.

METHODOLOGY

For this purpose, it was developed a conceptual framework for the study was supported by a literature survey guided by a four-dimensional framework; fulfillment, website design, security, and customer service as independent variables and customer loyalty as the dependent variable, as shown in Figure 1 below.

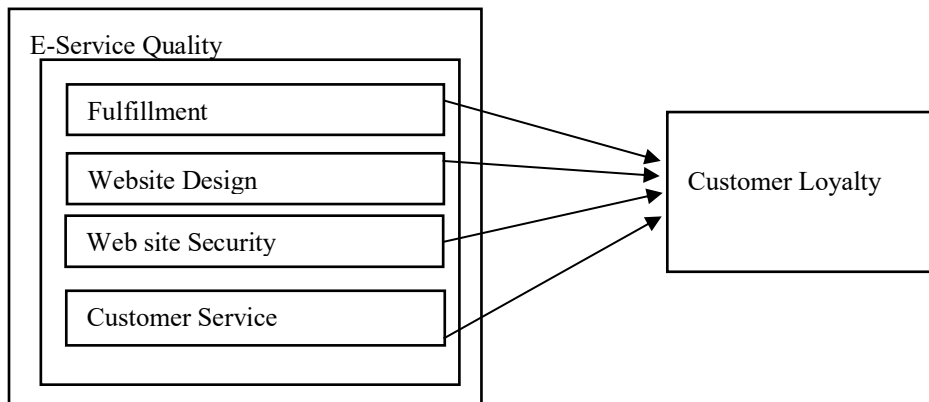


Figure 1 Conceptual Framework

Four hypotheses were proposed for the study based on the conceptual framework;

H₁: There is a significant impact of fulfillment design on online supermarket customers' loyalty.

H₂: There is a significant impact of website design on online supermarket customers' loyalty.

H₃: There is a significant impact of website security on online supermarket customers' loyalty.

H₄: There is a significant impact of customer service on online supermarket customers' loyalty.

The study employs a deductive approach with a cross-sectional design commonly used in studies related to consumer behavior.

The study population consists of online supermarket customers living in the Kalutara district of Sri Lanka. According to the nature of the industry, there is an uncountable population in the supermarket sector. There are 97 supermarket outlets in Kalutara district as per the interviews done with outlet managers in the selected supermarket in the district when June of 2022 (Cargill's food city, Keels super, and Arpico supercenter). As per the guidance of

Morgan chart, it was selected 384 supermarket customers from the Kalutara district used the convenience sample techniques due to the unavailability of a sample frame. A quantitative research design was employed. Both primary and secondary data were gathered for the study while giving more priority to primary data. For this purpose, a questionnaire was developed with the statements of five-point Likert scaling (1-strongly disagree, 5-strongly agree). Question statements were included in the questionnaire based on the four independent and dependent variables as exhibited in the conceptual framework and the section on respondents' demographics. Due to the restrictions experienced amidst the third wave of the COVID-19-19 Pandemic in the country, an online questionnaire was administered. Reliability tests using the Cronbach Alpha were run, and it was reported that all the Cronbach Alpha is more significant than 7.00. The gathered data was analyzed using descriptive and inferential statistics. The preliminary univariate statistical analysis was run to screen the data. In contrast, initial statistical analysis bivariate, such as correlation and regression analysis, was run with the SPSS version to explore the impact and the relationship between variables as in the proposed framework of the research. The confidence level was determined as 95%, as recommended.

RESULTS AND DISCUSSION

In this study, it was considered to find the impact of the ESQ variables on customer loyalty in the supermarkets in the Kalutara District. The result of the coefficient of correlation reveals that all the variables, fulfillment, website design, security, and customer service, are correlated positively with customer loyalty in the supermarket sector.

Table 1 Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.763 ^a	.583	.578	.28636

a. Predictors: (Constant), MCS, MWD, MS, MF

R square value reported in Table 1, it can be stated that the variation in ESQ can explain 58.3% of the variation in customer loyalty.

Table 2 Regression Coefficient

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	.752	.151		4.998	.000
	Fulfillment	.253	.049	.263	5.190	.000
	Website design	.180	.043	.205	4.188	.000
	Security	.198	.046	.217	4.305	.000
	Customer service	.200	.045	.210	4.486	.000

a. Dependent Variable: Customer loyalty

According to Table 2, the regression analysis results indicated a significant positive impact of ESQ dimensions on customer loyalty. The regression analysis was used to test the hypotheses; accordingly, the results show that demonstrating fulfillment significantly impacts customer loyalty. Also, results showed that respondents were significantly concerned about website

design and doing their day-to-day shopping in supermarkets using the online platform. Since the sample respondents believe that the first impression about supermarkets depends on website design. Further, the results show that respondents are concerned about security in their online shopping. Thus, the security of customer transactions is an essential issue that supermarket management must address to ensure the security of their customers' financial transactions the online shopping. Thus, the security methods can be beneficial in creating a sound and loyalty customer base in this sector. Finally, this study found that customer service positively influences customer loyalty in the supermarket sector. To maintain a satisfied and loyal customer base, management should pay attention to excellent and reliable customer service with online shopping.

With the support of regression analysis, the summary results of the hypotheses are presented in Table 3. The research framework is supported because all the hypotheses are accepted at $p < 0.000$.

Table 3 Results of the Hypothesis Testing

Hypothesis	Regression		Decision
	B	P	
H1: There is a significant impact of website fulfillment on online supermarket customers' loyalty.	0.253	0.000	Supported
H2: There is a significant impact of website design on online supermarket customers' loyalty.	0.180	0.000	Supported
H3: There is a significant impact of website security on online supermarket customers' loyalty.	0.198	0.000	Supported
H4: There is a significant impact of customer service on online supermarket customers' loyalty.	0.200	0.000	Supported

CONCLUSIONS AND IMPLICATIONS

The general objective of this study was to find out ESQ factors affecting online customer loyalty in the supermarket industry. As a result of the study, it recommended that supermarket managers ensure that the website includes all options for a fulfillment interface, email support, a feedback form, and product availability to increase customer loyalty. The results further reveal that website design significantly influences online customers' shopping behaviour. So, the researchers recommended that the management supply e-services with ease of use, bilanguage in both Sinhala and English, quickly respond to customers' ESQ issues Etc. Also, supermarket management should use strong, attractive, and convenient websites for online shopping for a loyal customer base. Considering the website security to protect online shopping customers' transactions, it was recommended that supermarket managers should use a strong security system since online customers expect a more secure system. Maintaining good customer service in a quality and reliable manner is also the ESQ requirement for building a loyal customer base in this sector.

This study's limitations are; it focuses only on the supermarket sector in Kalutara District in Sri Lanka and employed convenience sampling techniques to gather the data with the difficulties experienced due to the COVID-19 pandemic. As a result, generalizing the applications of findings may not be appropriate. Further, due to the limitation of the COVID-

19 pandemic, researchers only used the virtual platform to collect data for the study. Also, this study concentrated on only four variables to determine online supermarket customer loyalty. Future empirical research should utilize the present study methodology either to confirm the same model for different industries or to fine-tune the model with additional ESQ variables with further literature support on the same supermarket industry.

Keywords: Customer loyalty, e-service quality, online shopping, supermarket

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THE IMPACT OF THE STORE ATMOSPHERE FACTORS ON CONSUMER PURCHASE INTENTION: THE CASE OF THE FASHION RETAIL STORES IN MATARA DISTRICT OF SRI LANKA

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INTRODUCTION

The fashion industry has shown many vital trends globally in the past few years. Looking ahead to 2022, in aggregate, McKinsey fashion scenarios suggest global fashion sales will reach 96 to 101 percent of 2019 levels in 2021 and 103 to 108 percent in 2022. Consumer product businesses focus on consumer purchasing intentions to preserve and enhance their image. While some stores in the industry successfully satisfy customers' intentions to purchase, others do not. Extant studies have explored that predicting consumer behavior is one of the most tedious tasks for any business as it keeps on changing under the influences of unknown and uncertain factors, leading to a purchase intention that is difficult to measure under different circumstances. Consumers' purchasing decisions are influenced by various factors, including brand, price, attitude, personal, psychological, and cultural aspects, making it challenging for marketers to anticipate how consumers would purchase a product. According to this, many things affect the buying decision, and many researchers talk about things other than price. It has been demonstrated that the retail environment is conducive to making a purchase decision about fulfilling the customer's requirement. Especially when shoppers participate in unplanned shopping activities, whether they buy or not can be strongly influenced by the shopping environment and their emotions at the time.

Mathur (2014) has explored that customers are most interested in product features, benefits, and attributes when they are involved in purchasing. Customers prefer to be involved with any product or service they have a positive experience sharing. Therefore, today's customers seek additional benefits within their shopping experience. So, stores need to be set up and designed to attract more customers, make it easier to find things, get people to buy things they did not plan to, and make shopping a pleasant experience. Understanding the store atmosphere is essential for any marketing practitioner since it both retains and draws consumers and aids in competitive winning. Kotler (1973) has defined the concept of atmospherics as "The effort invested in creating a desirable buying environment to induce specific emotional responses in consumers.

A few researchers have discussed the effect of store atmosphere on purchase intention. Store atmospherics consist of "all of the physical and non-physical elements of a store that can be controlled in order to enhance (or restrain) the behaviors of its occupants, both customers and employees". Sabrina (2014) points out that "There is a surprising lack of empirical research and theoretically based frameworks addressing the role of physical surroundings in

consumption settings. However, a limited number of studies addressed the effects relevant to the fashion retail stores in the Matara District of Sri Lanka. Therefore, the main objective of the research is to identify the store atmosphere factors that affect purchase intention. Donovan and Rossiter created the S-O-R model in 1982 to study environmental influences on purchasing (Donovan et al., 1994). According to that, Baker and Bitner have popular typologies. Bohl (2012) divides the environment into ambient, designed, and social. This study used Baker's environmental cue typology as retail is a service.

The research framework has developed concerning the effect of store atmosphere on consumers' purchase intention. There are three elements in the store environment: social, design, and ambient cues. Music, lighting, scent, display, layout, color, and in-store crowding are all aspects to consider. The nature of the link between these three characteristics and the dependent variable, purchase intention, was determined using this conceptual framework.

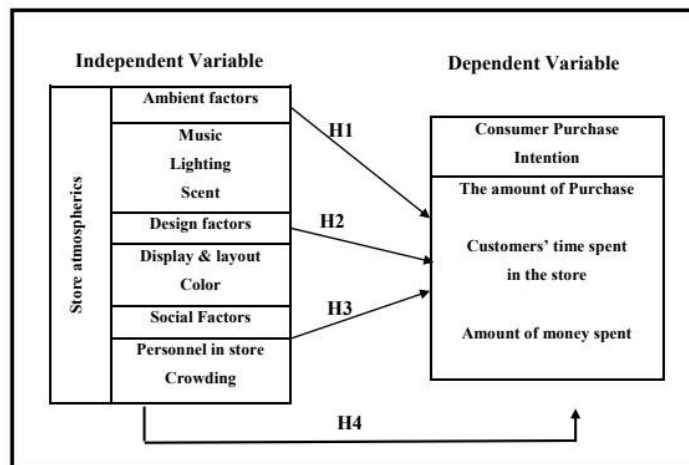


Figure 1 Conceptual Framework

Accordingly, there are four hypotheses;

H1: Ambient factors have a more significant impact on purchasing intention of consumers.

H2: Design factors have a more significant impact on the purchasing intention of consumers.

H3: Social Factors have a more significant impact on purchasing intention of consumers.

H4: Store Atmosphere have a more significant impact on the purchasing intention of consumers.

METHODOLOGY

The study evaluated the quantitative influence of store atmospherics on consumer purchase intention in Matara's fashion retailing industry. Quantitative research uses mathematical, statistical, and computer-aided methods to evaluate a phenomenon. This study's data is cross-sectional, which implies that researchers did not interfere with the research setting while gathering data. As a descriptive research study, the study was developed through the deductive approach and used the survey method to collect the data. Time and financial restrictions make it challenging to acquire data from all fashion retail users. Data were collected from 384 individuals. A 5-point Likert scale indicates reaction frequency. SPSS analyzed the data.

RESULTS AND DISCUSSION

At the time of the analysis of the sample profile, the majority of respondents' age range is 21–31, which is 54% of the total. Women made up 66% of those who came to the store to purchase clothes, while men made up 34%. Participants are more passionate about fashion than the respondents at this age.

Table 1 KMO and Bartlett's Test for factors validity

Variable	Coefficient Correlation	Information
Ambient Factors	.902	Valid
Design Factors	.895	Valid
Social Factors	.822	Valid
Purchase intention	.847	Valid

To improve internal validity, the researcher had to reduce some of the questions based on these three main variables in gathering data, reducing uncertainty between the variables. According to Table 1, the KMO value is more significant than 0.5, so the researcher concludes that the sample is adequate.

Table 2 ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	55.553	3	18.518	121.774	.000 ^b
1 Residual	57.786	380	.152		
Total	113.339	383			

Table 3 shows the results of the regression analysis.

Table 3 ANOVA Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.
	B	Std. Error			
(Constant)	.605	.177		3.411	.001
1 AMBIENT	.244	.057	.229	4.250	.000
DESIGN	.431	.065	.366	6.622	.000
SOCIAL	.212	.045	.213	4.720	.000

Based on Table 3 can be written multiple linear regression equations as follows.

$$Y = .605 + \beta_1(.244 \text{ (ambient)}) + \beta_2(.431 \text{ (design)}) + \beta_3(.212 \text{ (social)})$$

Multiple Linear Regression revealed that environmental, design and social aspects affect purchase intention. The classic assumption test is used to see if the model that will be made will work before it is used to predict. R-square value is 0.490, indicating that ambient, design, and Social factors account for 49% of differences in consumer purchase intentions. The classic assumption test is used to see if the model that will be made will work before it is used to

predict. Classical assumption tests include the normality test, the multicollinearity test, and the heteroscedasticity test.

Table 4 Hypothesis Testing

Hypothesis	Relationship between variables	t statistic	P value	Result
H1	Ambient factors have a more significant impact on purchasing intention of consumers.	4.250	0.000	Supported
H2	Design factors have a more significant impact on purchasing intention of consumers.	6.622	0.000	Supported
H3	Social factors have a more significant impact on purchase intention of consumers.	4.720	0.000	Supported
H4	Store atmospherics have a more significant impact on purchase intention of consumers.	18.861	0.000	Supported

Table 4 shows all the hypothesis test results. The atmosphere factor influences customer purchasing intent. H₁ expected that ambient factors would impact the probability of a purchase. H₁ was valid ($t = 4.250$, $p < 0.001$), indicating that environmental influences affect purchasing intention. H₂ indicates that design influences purchase intentions more than H₂. Display, layout, color, and buyers' desire to purchase are all connected ($t = 6.622$, $p < 0.001$). So H₂ was accepted. Users are more willing to purchase if they feel good about themselves. A store's displays and layouts must be dynamic, unique, and imaginative to succeed.

Social factors impact consumer purchases more than H₃. Social factors ($t = 4.720$, $p < 0.001$) positively affect buying intention. H₃ had support. In these two ways, the social aspects of the store had a negative effect on the employees. Crowding is beneficial.

According to H₄, store atmosphere influences customers' purchase intentions more strongly. As hypothesized, this study shows that store atmosphere has a greater impact on purchasing intention than consumers. Researchers ranked it as the fourth most important dimension. Respondents gave high marks for the final hypothesis and ambient, design, and social factors. ($t = 18.861$, $p < 0.001$) H₄ succeeded.

CONCLUSIONS AND IMPLICATIONS

The research objective was to identify the impact of factors of the store atmosphere on consumer purchase intention in Sri Lankan fashion retail outlets. The survey focused on Matara Districts, with a total sample size of 384 respondents. More than half of the respondents visit fashion retail establishments at least once a month. The majority of the sample was filled with young and middle-aged people, with older adults responding at a low proportion. The results show a positive correlation between the independent and dependent variables. Music, lighting, display, layout, color, and crowding affect purchasing intent. Ambient, design and social influence all affect customer purchases. The scent of the store and its personnel have almost no effect on the customer while they are shopping. The store's atmosphere can play an essential role in determining the store's image and capturing

customers' hearts. In a store, customers' emotional states are influenced by the store's atmosphere, which makes them feel welcome and happy. Undoubtedly, people in the fashion industry can gain a competitive edge by coming up with a good plan that helps them reach all of their goals.

Keywords: Consumer purchase intention, fashion retail stores, store atmosphere

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WHAT MILLENNIALS ARE WATCHING? AN ANALYSIS OF DIGITAL CONTENT CONSUMPTION IN INDIA

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INTRODUCTION

The millennium era has created new horizons in the Indian entertainment landscape. A new segment of the generation cohort is born-The Millennials. Popularly known for their tech-savviness, carefree and high-risk takers, their entertainment and leisure perception is far beyond impossible to imagine. They are born in an era of the World Wide Web-where Internet and smartphone have become their addiction. The advent of globalization has witnessed the rise of smartphone penetration and high-speed broadband connectivity. Millennials are exposed to diverse, engaging, accessible, and rich digital content. They have access to superlative path-breaking digital services and products like mobile applications, video, and music streaming platforms. This has posed a massive challenge for digital content creation companies to focus on innovative entertainment storytelling techniques (Dimock, 2019).

Mendez and Mohedano (2017) dealt with how Spanish university students use their smartphones for their daily and audio-visual product consumption. The paper revealed that an average university student uses both study and leisure. It also revealed that there are discrepancies in terms of consumption in 4G mobile networks. There seems to have tendencies toward intensive video consumption. Music video clips and micro videos are used for visualization. Vivitsou (2017) attempted to examine Finnish and Greek students' different digital storytelling practices. They created an imagery identity, analyzed digital stories' different themes and subtitles, and added their comments to their peers. They had to view digital stories through different combinations of analytical techniques. In the case of multiple event stories, the focus is laid on human relationships through a more personal body language. While in the case of single event stories, they adopt a more practical approach to explain how things happen. It concluded that digital stories present different themes in a serial form. The objectives of the study explore the different genres of digital content consumption among millennials and examine the digital content consumption patterns between television viewers and digital platform subscribers with context to millennials.

METHODOLOGY

The research paper is qualitative and descriptive, where data collection was based on in-depth interviews of a select random sampling of 40 millennials in the age group of 15-22 years. The research primarily focuses on content analysis based on secondary data like blogs, websites, and media news portals. Based on an open-ended questionnaire and observation, the researcher opted for descriptive analytical techniques to discover the content consumption of television viewers and digital subscribers.

Part A of the research paper deals with the introduction to the concept of millennials and what makes them different from Gen-X & Gen Y in terms of digital content consumption. Part B of the paper deals with different aspects of digital content watched popularly by millennials. In terms of Millennials: What makes them different from Gen-X and Gen-Y?, Technology has been a vital force for defining and structuring generational lines. The term '*millennial*' has been expressed differently based on the year of birth or age for attaining adulthood during the Millennium era. Pew Research Centre has redefined the cut-off point constructively for the Millennials and Post Millennials for birth years. Defined that the Millennial refers to anyone born between 1981 and 1996. This means the age groups shall fall into adulthood between 23 to 38 years as of 2018. In terms of technology usage, the millennials belong to an era where the World Wide Web has been part and parcel of their lives. In terms of Millennials' personality traits at Entertainment and Leisure, Millennials are gifted with unique personality traits from the way they perceive entertainment and leisure. Says ambitious Sharma, a 17-year-old YouTuber, "I am a hard-core social media addict. I ensure that I upgrade my new smartphone every year. I cannot imagine my life without being addicted to Facebook, Instagram or Snapchat. I am hyper-active in experimenting wide range of social media time-pass contents like blogs, podcasts and vlogs." In terms of Millennials' Television Viewing Habits, With the arrival of youth-centric television channels, millennials are drifting away from traditional programming content like reality shows or soap operas to diverse forms of online digital entertainment. Shrutika Sawle--19-year-old filmmaking student, stopped watching television five years ago when she was in Class Eleven. Reasons for her right decision, "Television content was limited to boring and repetitive television shows, episodes and movies. With each passing day, it has become lacklustre as there were repetitive episodes. Whether it was movies or travel shows, they had the same old content being broadcasted in regular intervals. Strangely on Hindi Bollywood movies channels, they were South Indian movies dubbed in Hindi. After that, I switched to erstwhile banned video streaming site Torrents and watched all my favourite movies."

She further said, "In the contemporary context, I have ample freedom to watch any favourite sitcoms, thrillers, and classics even at midnight, for which television channels do not. The USP of watching online is that you watch uncensored content, which is the weird trait of every millennial like me." According to the YouGov-Mint Millennial Survey conducted in 2018 to understand the behavioural preferences of digital natives, "Social Media networking platforms are proliferating big time among millennials. Around 34 percent of millennials and post-millennials depend primarily on news apps and websites. Interestingly, 48 percent share of the millennials watch online entertainment." In terms of Millennials and Rise of Video Streaming Platforms, over the last few years, over thirty video platforms have been launched in India. Practically, all media and entertainment broadcast and content production firms have set up a subscription and advertising-based video streaming platforms with over 100 million subscribers. The famous Indian video streaming platforms are Alt Balaji (Balaji Telefilms), Zee5 (Zee Enterprises), Hotstar (Star Corporation) Sony Liv (Sony Corporation) and much more. In terms of Millennials and YouTube Obsession, What is precisely driving millennials to log on to YouTube? An exciting survey finding on video content engagement by ComScore and YouTube identified that the millennials in the age group of 18-34 years are highly engaged and loyal YouTube users. They exhibit different viewing habits about watching on YouTube; Millennials (35 percent) consider YouTube for digital video consumption, both live and time-shifted, Millennials opted for YouTube as their first video destination of choice. One in eight millennials prefers to watch current season television shows. Regarding YouTube preference

content type, 79 percent of millennials prefer to watch videos uploaded by people, followed by brands, companies, and institutions (74 percent). One of the leading online video production companies—Contagious Online Media Limited of the popular YouTube Channel—The Viral Fever fame has started a lifestyle YouTube Channel—The Timeliners. It is a millennial focussed lifestyle channel with over 5.7 million subscribers, which traces different stories on the day-to-day millennials' way of life. Webisodes like *Flames*, *The Royal Palate*, *Stags*, and *Just Indian Things* focus on millennials with the quirkiness of Indian society. In terms of the Dominance of Mobile App Consumption, according to the survey findings by MoMagic—a data science-driven company- India is the largest market in mobile applications by app downloads. The majority of millennials consume this digital content. It is the foodies, fashionistas, and travellers that drive the millennials crazy. The average app usage time has increased phenomenally. Interestingly, more than half of the Indian millennials prefer watching online entertainment on OTT apps.

Part B of the research paper deal with different aspects of digital content watched popularly by millennials and discuss as follows. In terms of Novel, Bold and Engaging Storylines, censorship norms predominately control film and television storylines. However, in the case of digital content, filmmakers have ample scope to express their emotions, creativity, and storylines. Hence, the millennials are open to bold, fresh and engaging storylines in fiction and non-fiction storytelling formats. This could be to the extent of themes ranging from relationships, sex, love, gay communities, sitcoms, travelogues, thrillers, and out-of-the-world documentaries. Millennials are mature enough to defy all societal norms regarding provocative and objectionable content. In terms of Web-series - Variety is the Spice, webisodes, popularly known as web series are a rage among millennials. Says Ronan Nagpal, a 23-year-old web-series viewer, “Web-series offers refreshing experiential entertainment. What is more intriguing is that every webisode has a suspense and thrilling climax which connects every contemporary millennial lifestyle.” In India, web-series thrillers like *Sacred Games*, *Inside Edge*, and *Lust Stories* have earned critical acclaim worldwide. Interestingly, the Indian web series has a lot to offer in terms of loud language and semiotics. For example, ‘*Pitchers*’ subject is on business and economics, ‘*Fours More Shots Please*’ focuses on modern-day relationships, and ‘*Little Things*’ touches upon the lifestyle of a millennial when he chooses to make Mumbai his dream city to attain stardom. For instance, *Sacred Games*, directed by Anurag Kashyap, is the film adaption based on Vikram Chandra's novel; the plot is set in Mumbai. The eight-part webisodes highlighted how the power of crime, corruption, and political influences the underneath of India's financial reawakening. It is a story of Sartaj Singh—A vexed police inspector who receives a call from a gangster Ganesh Gaitonde—who has been missing for over 15 years. It is an epic masterwork of rich and famous that deals with rich and influential classes of people. In terms of Stand-Up Comedies: An Infotainment Food for Thought, India is a country where there is marvelous talent in stand-up comedies. Indian Stand-up comedians like Zakir Khan, Vir Das, Kenny Sebastian, Sapan Varma, and many others have reached international heights. Comedy groups like All India Bakchod (AIB) and The Viral Fever (TVF) on YouTube Channels have a few million followers on video-sharing sites.

Thus, what tickles the funny bones of the millennials today? Says an 18-year-old hard-core stand-up comedy fan, Mohit Bajaj, “After my Class Ten examination, monotony hit me when I surfed YouTube to watch real entertaining stuff. One day, I glanced through the comedy clip of Abish Mathew, which changed my outlook on stand-up comedy forever. Loud prime-time

debates are a *passé* for me. Besides the funny bone element, comedians express honesty, which is relatable in our day-to-day lives.” Mohit further stated, “Most stand-up comedies are hilarious and informative. For example, mental illness is one subject no one dares to express openly, even though it is a silent killer. In his popular show ‘*Shadows*’ on YouTube, Comedian Daniel Fernandez deals with mental illness by interacting with patients in a soothing environment. At the same time, he times his dialogues so that people lucidly connect their perspective.” In terms of Gaming Videos: Cult in the making, Digital gaming is the next in-thing with the newly arrived generation. According to the first edition of the Indian Millennial Gaming Report, every gamer is below is under 24 years of age. At the same time, the vast majority are glued to their digital games for over 30 hours a month, as against 90 minutes for shopping.

What is fascinating is that the new gaming technologies like Augmented Reality and Virtual Reality have taken the Indian millennials by storm. The classic illustration to prove this case example is PUBG and Pokémon Go.

CONCLUSIONS AND IMPLICATIONS

The findings of the study could be concluded as follows; technology is the vital force that has redefined millennials' new digital content consumption patterns, and social media addiction is what millennials are living in the moment. Hence, viewing short clippings online or posting a status or two on social media networking sites is their regular activity, there is a structural shift from television viewership to digital consumption patterns across all age groups, Digital consumption is a more personalized and interactive medium, Emerging genres of digital content are web series, documentary series, stand-up comedies, and gaming videos are popular among millennials, Millennials are open to bold and contemporary compared to Indian *saas-bahu* operas and reality shows variety is the spice of life—it is the millennial's new mantra for watching fresh content. Millennials prefer to stay abreast with the latest happenings and issues through stand-up comedies and fictional web series. The researcher concludes that future areas of research should emphasize in-depth each digital content in detail through a series of accurate life content and its comparative analysis.

Keywords: Digital content, digital consumption, entertainment storytelling, millennials, video streaming platforms

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Tourism, Hospitality & Event Management

A STUDY ON CONSUMER SATISFACTION ON ONLINE FOOD DELIVERY SERVICES IN THE COLOMBO DISTRICT

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INTRODUCTION

Online Food Delivery (OFD) is a new form of the business model within the current era of e-commerce which results in the startups of many online businesses being incredibly successful. As a result, it bridges the gap between restaurants and customers (Kalimuthu & Sabari Ajay, 2020). According to the Online Food Delivery Services Global Market Report, 2021, the global online food delivery services market is expected to grow from \$115.07 billion in 2020 to \$126.91 billion in 2021 at a compound annual growth rate of 10.3%. Nowadays, there is a massive food delivery marketplace in Sri Lanka. During the COVID-19 pandemic, Sri Lankan food services have shifted to digitalization (Anib et al., 2019). This study aims to determine factors influencing customer satisfaction with online food delivery services in the Colombo district in Sri Lanka. It is an urban area with many online food delivery services such as Pizza Hut, KFC, and McDonald's, Kottulabs, Uber Eats, and Pick Me food.

Sri Lanka lacks previous studies or investigations on the satisfaction of online food delivery services, especially in the Colombo area. Furthermore, there are limited studies on the factors leading to customer satisfaction in online food delivery services. On the other hand, online Food Delivery services have an excellent opportunity to develop and expand their markets and operations during difficult times such as the covid-19 pandemic. This type of research is also important to customers because of the avenues to identify the factors in customer satisfaction. The outcome of this research can be a valuable support for developing Sri Lanka's online food delivery services.

METHODOLOGY

The research study takes a quantitative approach grounding on the post-positivism research stance. Independent variables are Food quality, Perceived control, Service convenience, Customer service, and Service fulfillment, and the dependent variable is Customer satisfaction (Ghosh, 2020). Data were collected using an online survey. The online food buyers in Colombo District were in the population, and a total of 205 respondents filled out the questionnaire, which was developed on a Five-point Likert scale. Data analyses with the help of SPSS software and multiple correlation analysis were employed to analyse the data.

RESULTS AND DISCUSSION

Female respondents' percentage in the sample is 60.5%, and the male percentage is 39.5%. Most respondents represent the 21-30 age group, and the percentage is 95.1%. As per the result majority of 81 respondents have used Pizza Hut. Many customers order food online 1-3 times

per month, and the respective percentage is 61. Most 180 respondents have used smartphones to order food online out of 205. Cronbach's Alpha was calculated for each variable to test the reliability of the research instrument Table 1).

Table 1 Reliability Analysis

Variable	Number of Items	Cronbach's alpha value
Perceived Food Quality	04	0.934
Perceived Control	03	0.914
Service Convenience	03	0.917
Customer Service	03	0.913
Service Fulfillment	04	0.913
Customer Satisfaction	05	0.966

According to Table 1, all the variables that satisfy the threshold value of $0.7 < \alpha$ confirm the internal consistency reliability of the variables. According to the results of the descriptive analysis, the perceived food quality reported the highest mean value of 4.0134 on the five-point Likert Scale. Further, skewness and kurtosis values of the questionnaire items demonstrated an approximately normal data distribution.

The researchers applied Pearson correlation to evaluate the relationship between bivariate relationships among the variables (Table 2). According to the results of the correlations, there is a positive, strong relationship between customer satisfaction and all independent variables. Thus, it is confirmed that online food delivery service factors positively impact customer satisfaction.

Table 2 Results of Correlations

	Perceived Food Quality	Perceived Control	Service Convenience	Customer Service	Service Fulfillment	Customer Satisfaction
Perceived Food Quality	1					
Perceived Control	.883**	1				
Service Convenience	.826**	.828**	1			
Customer Service	.852**	.807**	.771**	1		
Service Fulfillment	.854**	.853**	.790**	.828**	1	
Customer Satisfaction	.888**	.895**	.794**	.868**	.891**	1

CONCLUSIONS AND IMPLICATIONS

This study has broadly examined customer satisfaction with online food delivery services in the Colombo district. The study's findings show that perceived food quality, control, customer service, service fulfillment, and service convenience significantly impact customer satisfaction with online food delivery services in the Colombo district.

The researcher suggests that restaurants or other food outlets should consistently provide good food for their customers. However, they should always use fresh ingredients for the dishes and a healthy menu. Some restaurants use expired chicken or other food for cooking, which may be a black mark for the business. They should try to control the food temperature and presentation during delivery. It is recommended that all food delivery services add the cash-on-delivery payment method for their systems because some services do not give cash the delivery alternative for payment. When it comes to the online food delivery process, it may be convenient for the customers because some services do not work quickly and correctly. Service sides or apps can include a small video for how to order online food using an app or site. Many online order services have 24 hours working hotline numbers, and customers can always contact and solve their problems. The researchers recommend a hotline number system. Online food delivery services always pay attention to their orders and always try to provide their service quickly for the customers.

Keywords: Customer service, online food delivery, perceived food quality, perceived control, service convenience

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**AN ANALYSIS OF THE ATTITUDES AND MOTIVATIONS OF
UNDERGRADUATES IN THE TOURISM STREAM: ACHIEVING FOREIGN
LANGUAGE PROFICIENCY FOR THE TOURISM AND HOSPITALITY
INDUSTRY**

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INTRODUCTION

Proficiency in more than one language is essential for communicating and interacting with others in contemporary global society. It is also a crucial asset for employability in the tourism and hospitality industry. Foreign languages serve to communicate with other people, countries, and cultures. Most tourism services are based on human (employee) performance; services are produced and consumed simultaneously in a face-to-face exchange (service encounters) situation, and employees and customers are physically and psychologically close enough to influence each other (Kuslivan & Kuslivan, 2000). Therefore, proper communication between the host and the guest is necessary for successful tourism operations. Most of the undergraduates learning foreign languages are continuing their careers as language professionals, mainly in tourism or other tourism-related industries. The ability to satisfy the guests is influenced by the foreign language that the guests speak. Further, the importance of learning foreign languages and proficiency highly impacted tourism undergraduates' future career opportunities compared to the current job requirements due to the highly dynamic labour market. The researcher identified the need to investigate tourism undergraduates' foreign language proficiency and the role of motivation and attitudes in foreign language proficiency.

Furthermore, the previous studies have mainly investigated foreign language proficiency concerning English as a foreign language for medical students, school-level student's undergraduate younger learners and English learners' achievement. It highlighted the research gap for this study and addressed it by researching tourism undergraduates' foreign language proficiency rationally. Therefore, this study mainly examines the undergraduates' attitudes and motivation toward achieving foreign language proficiency in the tourism and hospitality industry.

Bachman (1990) has defined Language Proficiency as; "The realization of the importance of context beyond the sentence to the effective use of the language." Motivation and attitude play a significant role in learning a language. Instrumental motivations emphasize the pragmatic features of learning a second language without a strong desire to communicate with people who speak the second language (Samad et al., 2012a). An instrumental motivation indicates utilitarian motivations for learning, whereas an integrative motivation refers to a desire to be a member of the target language group (González-Becerra, 2019). According to Cooper and Fisherman (1977), personal motivation is closely related to activities resulting in personal gratification. Students would prefer instrumental motivation over integrative motivation in

learning languages. However, some findings revealed that integrative motivation obtained the most incredible score compared to instrumental motivation and personal motivation, indicating that students are more motivated to study foreign languages

Attitudes help in decision-making and simplification by dividing the world into recognizable and manipulable categories: things I like, dislike, or do not care about. A negative attitude and lack of motivation can lead to obstacles in learning a language. Thus, having a positive attitude toward learning a language is an excellent start to learning a language (Oroujlou & Vahedi, 2011). Accordingly, the main objective of this study is to examine the role of motivation and attitude in achieving the foreign language proficiency of Tourism undergraduates in Sri Lanka. The study's findings will be significant for the language teachers who are teaching foreign languages at universities for the tourism students to understand students' attitudes and motivation regarding language proficiency and apply effective strategies and techniques in foreign language teaching.

METHODOLOGY

To achieve the study's objective, the conceptual framework was developed based on the literature review. Accordingly, instrumental motivation, integrative motivation, personal motivation, and attitude are the independent variables. The dependent variable is foreign language proficiency.

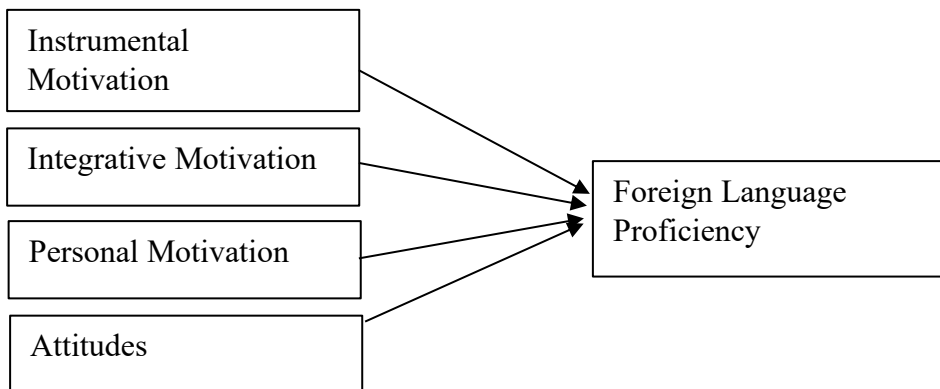


Figure 1 Conceptual Framework

Accordingly, this study examines the role of motivation and attitude in achieving the foreign language proficiency of tourism undergraduates by analyzing the relationship between attitudes, instrumental motivation, integrative motivation, personal motivation, and foreign language proficiency.

The population of the study is about 300 tourism undergraduates from four state universities in Sri Lanka, namely the Rajarata University of Sri Lanka, Sabaragamuwa University of Sri Lanka, Uva-wellassa University of Sri Lanka, and the University of Kelaniya. The convenient sample technique was adopted for this study. The sample covered 153 participants consisting of 55, 40, 25, and 33 respondents, respectively, from the Rajarata University of Sri Lanka,

Sabaragamuwa University of Sri Lanka, Uva Wellassa University of Sri Lanka, and the University of Kelaniya. The questionnaire was prepared based on the literature review and distributed online. Collected data were analyzed using descriptive analysis such as frequency, mean, and standard deviation. Correlation analysis was employed to analyze the relationship between the variables.

RESULTS AND DISCUSSION

According to the demographic profile of the participants, there were 60 male undergraduates and 93 female undergraduates. Most respondents are Sinhalese (86.9%), and the rest are Tamils (13.1%). 86.9% of participants revealed that Sinhala is their mother tongue, and 13.1% stated that Tamil is their mother tongue.

Most respondents (40.5%) learn the German Language, and 18.3% of respondents learn Mandarin. 13.7% of the respondents learn French, 13.7% of the respondents learn Japanese, 7.8% learn Russian, 4.6% learn Korean, and 1.3% of the respondents learn Spanish. Most respondents (11.1%) learn a foreign language because it is an academic requirement. 4.6% of participants stated that their prime motive for learning a foreign language is to complete a tourism degree, and the job market is the prime motive for 4.6% of participants. Career development, job market, learning cultures, and personal interest are the other main motives for learning a foreign language. The descriptive analysis was employed to analyze the responses related to undergraduates' motivation and attitudes. Table 1 depicts the results of the descriptive analysis.

Table 1 Descriptive Analysis

	N	Mini.	Maxi.	Mean	SD
Instrumental Motivation	153	1.00	5.00	4.5180	.4553
Integrative Motivation	153	1.00	5.00	4.4488	.4734
Personal Motivation	153	2.00	5.00	4.0539	.3626
Attitude	153	2.00	5.00	4.0327	.3623
FL Proficiency				3.9837	.3959
Listening	153	2.0	5.0	3.980	.4512
Speaking	153	2.0	5.0	3.941	.4898
Reading	153	2.0	5.0	4.013	.4290
Writing	153	2.0	5.0	4.000	.4136

According to the descriptive analysis (Table 1), all the variables are almost around value 4. It shows that most of the responses to the questions thoroughly agreed with the answers in the Likert scale, which shows that the students are motivated and have positive attitudes toward learning foreign languages. Additionally, positive responses were mainly gathered by comparing between variables. The highest standard deviation is integrative motivation (0.4734), indicating that integrative motivation much more deviates than others. The least standard deviation is presented by attitude (0.3623). The highest mean score is indicated by reading skills compared to other writing, speaking, and listening skills. When analyzing the four primary skills of foreign language proficiency, the mean score for reading proficiency is 4.01, the mean score for writing proficiency is 4.00, the mean value for listening proficiency is 3.94, and the mean value for speaking proficiency is 3.91.

The correlation analysis was employed to examine the relationship between the independent and dependent variables. The result of the correlation analysis is depicted in Table 2.

Table 2 Correlation Analysis

		Instrumental Motivation	Integrative Motivation	Personal Motivation	Attitude	FL Proficiency
FL Proficiency	Pearson Correlation	.184*	.326**	.424**	.711**	1
	Sig. (2- tailed)	.023	.000	.000	.000	
	N	153	153	153	153	153

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

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

As the results of correlation analysis (Table 2), the correlation coefficient between all independent variables, instrumental Motivation, integrative motivation, personal motivation and attitude, and Foreign Language Proficiency (dependent variable), indicate a significant positive relationship between them. The coefficient of correlation between Instrumental Motivation and Foreign Language Proficiency is 0.184, and the P-value is 0.023, indicating a positive relationship between Instrumental Motivation and Foreign Language Proficiency. Therefore, it can be interpreted that when instrumental motivation increases, foreign language proficiency also increases slightly. The coefficient of correlation between Integrative Motivation and Foreign Language Proficiency is 0.326, and the P-value is 0.000, indicating a significant moderate positive relationship between Integrative Motivation and Foreign Language Proficiency. The coefficient of correlation between Personal Motivation and Foreign Language Proficiency is 0.424, and the P-value is 0.000, indicating a significant moderate positive relationship between Personal Motivation and Foreign Language Proficiency. The coefficient of correlation between Attitude and Foreign Language Proficiency is 0.711, and the P-value is 0.000, indicating a significant strong positive relationship between Attitude and Foreign Language Proficiency. Therefore, it can be interpreted that when attitude increases, the foreign language proficiency of tourism undergraduates is also increasing, proving that attitude is positively correlated to foreign language proficiency.

CONCLUSIONS AND IMPLICATIONS

The current study mainly focused on the Tourism undergraduates' motivation and attitudes towards achieving foreign language proficiency. According to the results of the descriptive analysis, it was found that the tourism undergraduates are motivated and have positive attitudes toward achieving foreign language proficiency.

Further, the study revealed a significant positive correlation between attitude and foreign language proficiency. This indicates that a positive attitude leads undergraduates to achieve foreign language proficiency. Further, personal motivation also showed a moderately high significant correlation with foreign language proficiency. There is a significant positive relationship between Instrumental Motivation, Integrative motivation, and Foreign Language Proficiency. It can be interpreted as motivated undergraduates with positive attitudes toward

learning, which will lead them to achieve foreign language proficiency. These findings are consistent with past studies that found that motivated students with positive attitudes toward English language learning enjoy being in the classroom and believe that the language they are learning will be useful to them in their lives and will perform better than those who are less motivated. When analyzing the four primary foreign language proficiency skills, the current study revealed that reading skills showed the highest mean score than other writing, speaking, and listening skills. Especially, speaking skills have the least score, secondly writing, and thirdly listening. Accordingly, Tourism undergraduates are mostly experiencing difficulties with listening and speaking skills based on the current research findings.

Based on the study's findings, it is suggested that educators motivate undergraduates to achieve foreign language proficiency by making them aware of the career opportunities in the tourism field and inculcating positive attitudes toward foreign language learning. Additionally, foreign language teachers should focus on applying efficient strategies for developing the speaking and listening skills of the tourism undergraduates as they perceive less proficiency in these two components, which are more critical for the tourism and hospitality industry.

Keywords: Attitudes, foreign language proficiency, motivations, tourism and hospitality industry

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BARRIERS TO THE DEVELOPMENT OF THE HOTEL INDUSTRY OF MACAU DURING THE COVID-19 PANDEMIC

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INTRODUCTION

The hotel industry is an essential part of the leisure industry, with hotels playing the role of a home for tourists in a strange location. Hotels are uniquely positioned to bridge the gap between two worlds, domestic and commercial, in delivering on their service responsibilities (Crick & Spencer, 2011). Lai and Hitchcock (2017) shared that Macau was designated as a World Centre of Tourism and Leisure in the Chinese central government's 13th Five-year Plan. Loi and Kim (2010) claimed that despite its small land area, Macau has 52 hotels, ranging from two to five stars, many of which have direct links to casinos. Macau's leisure industry changed significantly in the last two years due to the COVID-19 pandemic. Tourism and the hotel business are cocreators and critical recipients of the impact and repercussions of the pandemic, as they are founded on human movement and intimate interactions (Christian & Thomas, 2020).

This study examines the situation of the hotel sector in the COVID-19 context after reviewing the development of the hotel business in Macau and outlining some of the barriers to its growth. This study concludes with a qualitative analysis, identifying the factors impeding Macau's hotel industry growth during the COVID-19 pandemic: occupancy, hygiene, customer loyalty, cost pressure, and regional isolation. Moreover, this study focuses on the hotel industry of Macau after the COVID-19 outbreak and analyses the factors affecting its development during the pandemic and the relationship between the two to provide a reference for research on the topic in the post-pandemic period. Meanwhile, this study also investigates crisis management in the hotel industry of Macau in the context of the pandemic (Liu et al., 2021). Unlike previous studies, this study focuses on some of the changes that occurred in the hotel industry of Macau under the constraints of the COVID-19 outbreak. Such changes have subliminally become norms in hotel management and will continuously impact subsequent hotel management practices. At the same time, this study analyses the reasons why such factors constrained Macau's hotel industry's development during the pandemic.

METHODOLOGY

A qualitative research approach was used in this study. One of the merits of qualitative research is that researchers can recognize possible biases in the data collection and analysis processes (Robertson, 2009). This method is appropriate for study findings not uncovered with quantitative or statistical techniques (Strauss & Corbin, 1998). Henwood and Pidgeon (1992) asserted that qualitative research has the advantage of providing possible explanations that are contextually sensitive, convincing, and relevant. Considering the study's objectives, using convenience and purposive sampling was appropriate, typical in qualitative research, to choose the research participants to understand the industry's viewpoint of Macau's hotel business. This study also used grounded theory, determined by the characteristics of the research objectives and data collation and analysis.

Interviewees were chosen from relevant businesses to effectively understand the hurdles to Macau's hotel industry development under COVID-19. The qualitative data were gathered through in-depth interviews with hotel industry representatives. A total of 13 respondents were chosen for the interviews from both the hotel and F&B service sectors. The interviews were semi-structured, with open-ended questions based on the hotel industry development features in Macau. Regarding the COVID-19 pandemic, the interview questions focused on how hotels enticed customers to stay, hotel occupancy rates, customer loyalty and renewal rates, hotel operational expenses, and hurdles to Macau's hotel industry development during the pandemic. To collect the data, in-depth interviews were conducted with the respondents from the Macau hotel business. One researcher asked the questions, while another recorded the replies. Each interview lasted around 10 minutes, and the questions were in Chinese and English. The data were recorded, processed, and analyzed using content analysis after the substance of each interview was collected.

The content analysis method was employed in this study. Drisko and Maschi (2015) explained that researchers could conduct content analysis to detect and document individuals' attitudes, beliefs, and interests and small or large and diverse cultural groups. The method can cope with enormous amounts of textual material from various sources and utilize it to corroborate evidence (Elo & Kyngäs, 2008). Allen (2017) believed that content analysis is adequate for characterizing communication messages and is generally unobtrusive, can provide a relatively safe process for examining communication messages, and has benefits in data gathering and qualitative data analysis. Chen and Luo (2021) also showed that an advantage of content analysis is that it allows for further debate and research on findings.

RESULTS AND DISCUSSION

In this study, individual interviews were conducted to evaluate the condition of the hotel sector of Macau and its barriers under COVID-19. A total of 13 respondents working in the hotel sector were interviewed, with the majority having over ten years of experience. All the interviewees held managerial positions or higher. The interviewees' demographic information is shown in Table 1.

Table 1 Demographic information of interviewees

Interviewee	Gender	Business	Position	Length of work experience
1	Female	Hotel	Manager	24 years
2	Male	Hotel	Manager	10 years
3	Male	Hotel	Manager	25 years
4	Male	Hotel	Manager	23 years
5	Male	Hotel	Manager	19 years
6	Female	Hotel	Manager	4 years
7	Male	Hotel	Manager	10 years
8	Female	Hotel	General manager and higher	11 years
9	Female	Hotel	Manager, in-room dining	19 years
10	Female	Hotel	Competent level	5 years
11	Female	Hotel	General manager and higher	18 years
12	Male	Hotel	General manager and higher	15 years
13	Male	Hotel	Manager	25 years

Figure 1 presents the framework highlighting the factors influencing the development of the hotel industry in Macau under COVID-19. The five factors represent the main restrictions on the development of the hotel industry in Macau under COVID-19 environmental constraints, including occupancy, hygiene, customer loyalty cost pressure, and regional isolation. The solid arrows in Figure 1 represent the direct influence on the development of the hotel industry in Macau, whereas the curved arrows indicate the interrelationships between the factors.

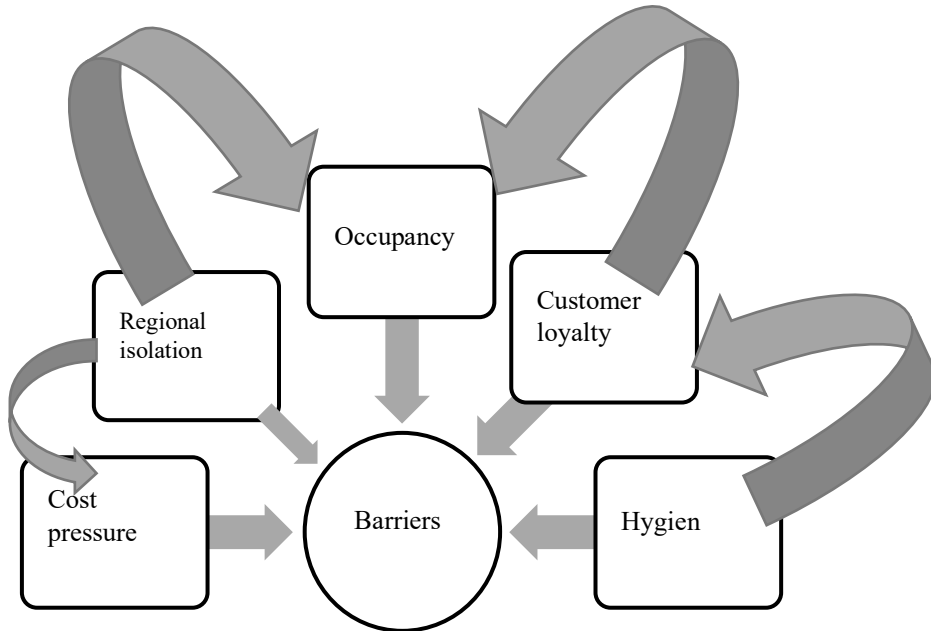


Figure 1 Factors restricting the development of the hotel industry of Macau under COVID-19

Hotels in Macau developed incentives to attract tourists and raise occupancy rates to offset the economic losses caused by the COVID-19 outbreak. Coupons are popular because they have the potential to increase sales and attract customers. Under normal circumstances, tourists have no strong desire to spend on expensive hotel accommodations. However, during a pandemic, hotel discounts and coupons may make tourists perceive a hotel as cost-effective. Besides, hotels in Macau can provide health and wellness packages, spas, and fitness programs to boost visitor welfare and improve the guest experience. Visitors are paying more attention to hotels' hygiene standards, which can directly affect their trust in the hotel and brand loyalty. A hotel's ability to adhere to strict hygiene and infection prevention standards in the context of the COVID-19 pandemic can also increase customers' trust.

In this study, the critical factor influencing customer loyalty was introduced, which significantly impacted the Macau hotel industry during the COVID-19 pandemic. The interviews showed that the hotel environment and service quality were the two main components of this factor. A safe and comfortable environment will give customers a feeling of being at home, whereas a poorly managed hotel environment can disappoint customers who lose confidence in booking again. Satisfactory hotel service quality is customer experience, which is critical during the COVID-19 pandemic to reduce anxiety caused by concerns about the immediate environment. Satisfactory service will leave a lasting impression on customers and increase their loyalty to a hotel. Hotel service and a good relationship between staff and

guests can influence customer loyalty. A hotel's service quality will also reveal guests' unique identity, affecting their loyalty.

Furthermore, hotels in Macau should reduce their expenses and waste to control their operating costs during the COVID-19 pandemic. Restrictions imposed by the pandemic on tourist activities and a significant drop in hotel profitability put a damper on the hotel industry. Macau hotel operations should reduce unnecessary costs, manage costs according to existing business conditions, avoid stockpiling, minimize waste, and recycle or reuse. Moreover, travel restrictions are the most crucial tactic for halting the global spread of COVID-19. More than 130 nations have implemented some travel restrictions, including screening, quarantine, and barring arrivals from high-risk locations. The Macau government's prevention and control policies follow those of the Chinese central government. Restrictions and precautionary measures, such as vaccination boosters, significantly reduced the occupancy rate of hotels in Macau and tourists' confidence to travel.

CONCLUSIONS AND IMPLICATIONS

In this study, five main constraints to the development of the hotel industry in Macau under COVID-19 conditions are identified: occupancy, hygiene, customer loyalty, cost pressure, and regional isolation. Some of the study findings are consistent with those of previous tourism research and add to the literature on the hospitality industry of Macau. Based on the five identified main constraints, this study can provide recommendations on the operation of the hotel industry of Macau during the latter part of the pandemic and mitigate the negative impact of tourism restrictions and the spread of the virus. In addition, this study can provide targeted recommendations on how the Macau government should support the hotel industry's operations. However, owing to the large number of hotels in Macau, this study could not account for all circumstances of all types of hotels. Future related studies could extend the focus to the perspective of tourists and communities.

Keywords: Customer loyalty, cost pressure, hygiene, occupancy, travel restriction

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DARK TOURISM MOTIVES AND ITS IMPACT ON ACHIEVING RECONCILIATION: THE CASE OF JAFFNA

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INTRODUCTION

The Dark Tourism phenomenon evolved around the people being drawn to attractions with a historical past. Nowadays, most probably, tourists are interested in niche tourism markets with special interests and needs. Modern-day tourism is potentially based on this kind of niche concept, called 'Dark Tourism'. The fascination with death and tragedy has influenced the tourism concept today (Reynolds, 2016), and many travellers from all over the world visit areas linked within Sri Lanka; this is a newly identified niche market. There is a lack of studies and academic reports on this concept. This research investigates the travel motives to visit dark destinations in Jaffna and how those motives impact the country's reconciliation.

Regarding the Sri Lankan Context, Dark Tourism is an untapped niche market (Samarathunga et al., 2020). However, there is a possibility of developing the concept of dark tourism with an existing location in the northern region, particularly in Jaffna, which includes several memories of the war in the Jaffna peninsula. The impact of these motives on reconciliation was set up. Different attitudes of domestic tourists motivate them to travel to dark sites. Further, examine those motives and how to impact dark tourism, then finally look to find alternative strategies that can be involved in tourism with the focusing reconciliation and sustainable tourism (Fernando et al., 2013). The significance of this study can be explained in two ways. Theoretically, there is a limited amount of research regarding this, which can be seen as a Research gap under this experiment. This study mainly focuses on filling the research gap, and consequently, it will gain more benefits for academic purposes to uplift the knowledge related to dark tourism. Jaffna is a beautiful destination in Sri Lanka, so after the post-war period, there was huge potential to visit by visitors (Ranasinghe, 2018). So, it will be identified as a new interest to visit those places relating to places and getting educational experiences among travellers. Identifying tourist motivations and behaviour will provide great insight into the industry. Here the tourism sector has so many service providers and stakeholders that can contribute to the many ways of promoting this niche market; according to the Jaffna area, plenty of tourism destinations are available that can promote those places through their different market segments. According to the results of the findings or evaluations, the government can introduce new rules and regulations. They can make some policies regarding particular tourist-based activities based on the findings. They can explore some implementations and experiments as well. Limitations can be identified in a minimal number of previous studies in the Sri Lanka Context. At the same time, the data collection faces plenty of issues because of the Language barrier Author cannot contact them directly to get an answerer. Some questions directly influenced their feelings and thoughts. Due to the Language issue, the author cannot understand their impressions.

METHODOLOGY

The qualitative research method was employed in this study. This study is based on an inductive approach. "Qualitative research is based upon the observations and interpretations of people's perception of different events, and it takes the snapshot of the people's perception in a natural setting" (Khan, 2014). Qualitative Research is based on people's perceptions. This method is helpful to respondents' perceptions regarding the Dark Tourism phenomena. According to the Research, the approach is the appropriate way of identifying different motives and human attitudes in their cultural context. Research philosophy was "constructivism," which involves accepting human behaviours and mindsets. This approach is closely associated with pragmatism constructed from human experiences. The qualitative method was the most appropriate way for this study based on the research area.

This study is to gather multidimensional data from Domestic Sinhala People and Tamil residents in Jaffna. The method consisted of persons-in-semi structured interviews with a diverse sample of Tamil Residence and domestic tourists of respondents. This study aims to identify the motivations of domestic travellers to travel to dark sites in Jaffna and how those motives impact Reconciliation among the Sinhala and Tamil Residence in Jaffna. The author selected sample was a purposive sample, so the selected sample consisted of domestic travellers who visited after the post-war Jaffna, and another sample was Tamil Residents in Jaffna.

This study used semi-structured interviews. Seven interviews are done by Tamil Residence people in Jaffna, and five by domestic travellers. Before the visit, Jaffna researchers before interviews have done pre-test surveys from Domestic tourists. In Interviews, questions were asked to identify the locations they visited in Jaffna and the main reasons they selected this area. Moreover, during the visit, what are their feelings and emotions? Would they revisit memorials? Above mentioned questions were focused on gathering data. From Tamil, residents' questions ask to identify their interaction with Sinhala people. Questions ask to take their ideas about reconciliation. Their attitudes towards mutual connection with Sinhala people. The authors have visited Jaffna and observed behaviours, cultural aspects and perspectives of Tamil People Regarding This Concept. Old kachcheri building, Nallur kovil, Jaffna Museum, Library, Dambakola patuna, Jaffna University, Dencil Kobbekaduwa memorial, Thilipan memorial, Naga Vihara, Kadurugoda bhikshu burials and Kirimale premise are the mainly observed places in Jaffna based on the previous studies and evidence of post-war memories.

The Thematic analysis method was used for data analysis (Braun & Clarke, 2006). After transcribing the interviews through familiarisation with the data coded and generated themes according to the respondents' opinions and attitudes. Finally identified, four themes and eleven sub-codes according to the research findings.

RESULTS AND DISCUSSION

According to the Respondent's data with the help of a master coding hierarchy table providing some themes using qualitative techniques. The author has mainly identified the four main overarching themes. There are Dark Tourism Destinations, tourist Gaze on post-war sites, Reconciliation between Sinhala and Tamil People, and sustainable Tourism in Jaffna. Dark Tourism Destinations theme is explained through three sub-codes: war memorials, war attractions, and war sites. Under the second, they reveal through curiosity to visit war sites and

religious interests. The Reconciliations theme consists of two sub-codes: interaction among civil groups and Tamil Residence's attitudes toward tourist behaviours. Under the theme, sustainable tourism in Jaffna is divided into three subcodes: removing war attractions, preserving cultural attractions, and satisfaction with government actions.

This study's first objective is to identify different motives for visiting Dark Destination. Curiosity is most probably the most key motivation to attend war attractions. The paper reveals how tourists gaze on a visit to the Dark sites since most participants who travelled to those sites most probably mentioned and discussed their curiosity about those dark sites. In a world scenario, millions of tourists are engaging to travel to the Vietnam cu chi tunnel and Auschwitz campsites in Germany (Max, 2012). There are many dark places in the northern region of the Jaffna "Thilipan" memorial, a great icon for people still travelling there. Based on finding that domestic tourist's gaze mainly focused on religious attractions.

The second objective was to identify motives how to impact achieving Reconciliation between both Sinhala and Tamil people. Based on critical findings, both people have two attitudes towards this matter. Sinhala domestic travellers like to visit those Dark places because they want to experience what happened in real life and visit dark places according to their different motives. Finally, according to the findings, several motives influence domestic travellers to visit dark destinations in Jaffna. The author has identified different motives: education, history, novel, curiosity, photography, leisure, emotions and feelings, and myths and stories. Those motives are based on one motivation. It can be seen that curiosity is the primary motivation because most domestic tourists are motivated to visit those Dark Destinations.

Based on their curiosity, there is no impact on the reconciliation between both Sinhala and Tamil people from those motivations. Domestic travellers like to visit those places, but Tamil people do not like going there because some still suffer sad memories and emotional feelings. Both people have two attitudes toward this concept, but there should be strategies to support both parties to identify the value of this Dark concept in the tourism industry.

CONCLUSIONS AND IMPLICATIONS

Dark tourism is the new niche market in the tourism industry. This is not a new phenomenon in the global scenario in countries like Vietnam, Japan, Korea, and Italy. Regarding the Sri Lankan Context, Dark Tourism is an untapped niche market. However, there is a possibility of developing the concept of dark tourism with an existing location in the northern region. Considering their impact on reconciliation, there is no considerable impact on achieving reconciliations, so it can give some strategies for enhancing the suitable tourism in Jaffna. With the help of host participants, mechanisms can be achieved by an excellent mutual bond the link with Dark Tourism in Jaffna.

The main focus of this study is how visiting these dark destinations impacts reconciliation between Sinhala and Tamil people in the country. Both people have two attitudes towards this concept. However, there is no considerable impact on reconciliation. Current locations and memorials like Tholepin's memorial bring emotional attitudes to the Tamil people; even some do not like to visit those. The fact is they had those rude experiences of the war. However, Sinhala people probably did not have experience, and most of them had the curiosity to visit those sites. Most Tamil respondents mentioned that if people visit there to see dark memories that do not matter to them, they do not like to visit those sites. So, the authors conclude here that there are identified different motives: education, history, novel, curiosity, photography,

leisure, emotions and feelings, and myths and stories. It can be seen that curiosity is the primary motivation because most domestic tourists are motivated to visit those Dark Destinations. The Dark tourism concept has no impact on the reconciliation of the country between these two nations. However, there should be strategies to support both parties to identify the value of this Dark concept in the tourism industry and how we can use them as our assets for the sustainable future of the young generation by giving knowledge about our history.

Keywords: Dark tourism, Jaffna, motivation, reconciliation, war memorials

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FACTORS AFFECTING ORGANIC TEA PURCHASE INTENTION IN THE CENTRAL PROVINCE OF SRI LANKA

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INTRODUCTION

Changing consumers' food consumption patterns seems to be a significant threat to living a healthy life. Conventional agriculture, chemicals, and fertilizers ruin the environment and human beings' lifestyles. Therefore, organic agriculture started booming in many countries by taking advantage of capturing the health-conscious consumer markets by providing organic foods for their daily intake. Being an attractive world tourist destination while knowing the best quality tea producer, Sri Lanka has attempted to expand its markets since 1983. However, according to Kothalawala et al. (2019), the organic tea consumption of the local people in Sri Lanka becomes lesser than the organic tea consumption of the tourists who visit Sri Lanka annually. To reach organic demand to the peak of the hospitality industry in Sri Lanka, Tea is the universal sign of the hospitality industry; it is essential to identify what factors affect the purchase intention of organic Tea in boutique hotels. Accordingly, this study attempts to identify what factors affect the purchase intension of organic Tea in boutique hotels, with particular reference to the central province of Sri Lanka.

The objectives of this research include identifying the demand patterns for Tea in boutique hotels. Identification of factors affecting the purchase intention of organic Tea in boutique hotels, identification of difficulties faced in purchasing Tea for boutique hotels, and identification of managers' perception of purchasing organic Tea instead of conventional Tea, while motivating the researchers to conduct their studies related to tea and tea tourism, the establishment of a good image of the organic food practices within the community, the motive for the researchers to study the local organic tea demand rather than the export market.

Accordingly, Sumi and Kabir (2018) have examined that product attributes, health benefit issues, environmental concern, trust, and perceived price significantly influence the purchase intention of the organic tea consumer. Another study conducted by Bandara et al. (2021) reveals that the product, marketing, and lifestyle attributes are the main factors influencing the purchase decision of branded Tea by the consumer. According to De Silva (2012), Quality of packaging, Information given in packaging, Quality of packaging material, Brand of the product, Standards, and Quality certifications, Origin of ingredients, and Shelf life of the product, have a positive relationship to the purchasing decision of Value added Tea. At the same time, the Level of income and Level of education have shown a negative relationship to the purchasing decision of Value Added Tea purchasing decision. When studying the available literature on this study, it is identified that the researchers have studied the factors affecting the purchase decision of organic Tea by the final consumer. So this research identifies the literature gap as the purchase intention of organic Tea by boutique hotels as an intermediary.

METHODOLOGY

This study has been conducted, taking Central Province as the study area for the research. Central Province is one of the major tourist destinations connecting the three Districts of Kandy, Matale, and Nuwara-Eliya. Kandy and Nuwara Eliya are the major tea-growing areas in the Central province. To have a good idea regarding the current demand for organic tea in boutique hotels, to identify the main factors affecting on purchase intention of organic tea for the boutique hotels, to identify the difficulties faced while purchasing organic tea for boutique hotels, to identify the managers' perception on purchasing organic tea for the boutique hotels instead of purchasing conventional tea, research needs to get well-defined answers from the respondents. For that, this research needs to find out the answers to these questions based on the thoughts and views of the managers, which are non-numerical data, while adopting a detailed data gathering technique like conducting interviews which is a qualitative technique for the research. According to the SLTDA website, there are 18 approved boutique hotels in Central Province. Among them, only 12 boutique hotels are purchasing organic tea for their hotels. The managerial level perspective will be examined in those 12 boutique hotels in the central province of Sri Lanka. The purposive sampling method was used among the various sampling methods for this research. Since this is a qualitative research approach, the sample will be 12 interviews focused on the managers in the boutique hotels in the central province Sri Lanka, and the thematic analysis was used to analyze the data

RESULTS AND DISCUSSION

The themes of the study were developed based on the research questions and objectives. Accordingly, four main themes were developed, and under them, sub-themes were developed. Regarding the current demand as the first research objective researcher identified two parental themes and seven sub-themes,

Table 1 Themes under 1st objective

1. Current Demand	1.1 Current Purchasing Pattern	1.1.A: Starting period of purchase 1.1.B: Reason of purchase 1.1.C: Purchasing basis
	1.2 Current Demand based Factors	1.2.A: Quantity 1.2.B: Variety 1.2.C: Popularity 1.2.D: Profit

Regarding identifying main factors affecting purchase intention of organic tea for boutique hotels, the second objective researcher identified one parental theme and six sub-themes.

Table 2 Themes under 2nd objective

2. Main Factors affecting purchase intention of organic tea	2.1 Health benefits 2.2 Environmental concern 2.3 Product attribute 2.4 Perceived quality 2.5 Trust 2.6 Perceived price
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Regarding the identification of difficulties faced while purchasing organic tea for boutique hotels as the third objective researcher identified one parental theme and six sub-themes.

Table 3 Themes under 3rd objective

3. Difficulties faced while purchasing organic tea	3.1 Lack of awareness
	3.2 Lack of media promotion & marketing
	3.3 Economic & productivity issues with climate changes
	3.4 Poor appearance
	3.5 Inconsistent taste
	3.6 Lack of Government support

Regarding the identification of managers' particular considering factors for purchasing organic tea for boutique hotels as the fourth objective researcher identified one parental theme and seven sub-themes.

Table 4 Themes under 4th objective

4. Managers' special Considering Factors for purchasing organic tea	4.1 Green purchase Interest
	4.2 Free samplings
	4.3 High expending customers
	4.4 Eco labeling
	4.5 Positive reputation
	4.6 Purchase attitude
	4.7 Guest behavior and motivation

The below figure 01 shows the summarized theme visualization of this research study

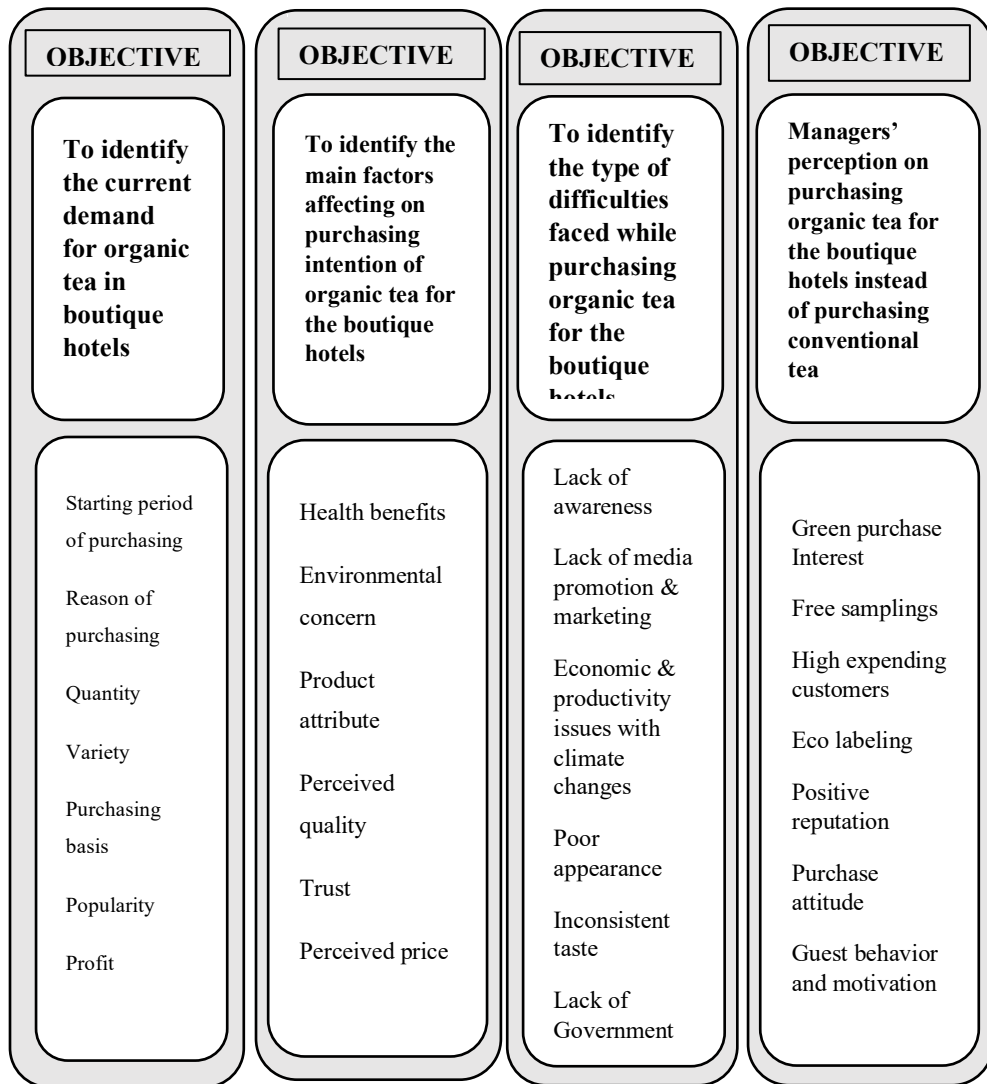


Figure 1 Summarized theme visualization

CONCLUSION AND RECOMMANDATION

According to the first objective, the researcher analyzed the current demand for organic tea in boutique hotels. Mainly there were seven themes used to analyze the first objectives. The findings show good demand for organic tea in boutique hotels. According to the second objective, the main factors affecting purchase intention of organic tea for the boutique hotel managers mentioned how far the health benefits, environmental concern, product attributes, perceived quality, trust, and perceived price affected their intention of buying. At the fourth objective, the researcher identifies the managers' perception of purchasing organic tea for boutique hotels instead of conventional tea. According to the findings, green purchase interest, free samplings, high expending customers, eco-labeling, positive reputation, purchase attitude,

guest behavior, motivation, and purchase habit were identified as reasons for purchasing organic tea for boutique hotels instead of purchasing conventional tea.

To suggest recommendations, the researcher has used the findings identified in the third objective; difficulties faced while purchasing organic tea for boutique hotels. The recommendations the researcher suggests; include enhancing government involvement and support, organizing organic tea tasting demonstrations and marketing through events, maximizing the awareness about organic tea and its benefits in the hospitality industry, and establishing good promotion and marketing camping to introduce organic tea to the local community, Invest to enhance organic farming related technology, expand organic tea by targeting its health benefits, establish collaboration and networking among suppliers, focus not only foreigners and high expending customer should focus locals, encourage researchers to conduct more research about organic tea consumption within the country, by giving motivation to buyers, but hotel management should also plan marketing strategies to create consumers' positive attitudes toward organic tea.

Future research can be conducted based on the perception of all other stakeholders like staff members, guests, and suppliers based on all the boutique hotels in Sri Lanka. From the results, many other exciting areas can be further researched, such as factors affecting foreigners' purchasing intention of organic tea, etc.

Keywords: Boutique hotels, hospitality industry, organic tea, purchase intention

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HYBRID EVENTS AS A TOOL TO PROMOTE MICE TOURISM IN SRI LANKA: A MANAGEMENT PERSPECTIVE

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INTRODUCTION

MICE tourism has a significant impact on the world economy. However, MICE tourism was highly affected by the COVID-19 pandemic. According to Global Data, 35% of tourism revenue is obtained by organizing events. In 2020, world events faced different challenges; 44% were postponed, 30% moved to virtual, 14% were canceled, and only 9% were held physically (ICCA, 2020). Demand for virtual and hybrid events has suddenly grown because of the slowdown in MICE Tourism. In the Sri Lankan context, challenges like Easter Sunday terrorist attack and the Covid 19 pandemic have decreased the MICE traveler arrivals. As Ranasinghe et al. (2020) state, without a doubt, Sri Lanka's tourism, hotel, and MICE sector are facing many negative impacts brought by the pandemic situation.

Furthermore, many researchers have suggested that virtual and hybrid events can be organized to retain MICE tourism in the new normal. Additionally, as Ranasinghe et al. (2020) suggested, organizing hybrid events is one way to keep the MICE industry of Sri Lanka afloat in this pandemic situation and further state that there are numerous advantages to hybrid events, including improved financial benefits, increased attendance, measurability, and ease of changeover. However, there is a lack of research on organizing hybrid events to promote MICE tourism internationally and domestically. Furthermore, there is no empirical study conducted in Sri Lanka focusing on organizing hybrid events to promote MICE tourism in Sri Lanka. This has been identified as a research gap.

This research studied organizing hybrid events as a tool to promote MICE tourism in Sri Lanka from MICE managers' perspective. Therefore, the main objectives of this research were to identify the best practices of organizing hybrid events as a tool to promote MICE tourism in Sri Lanka. Moreover, an analysis has been conducted to examine the challenges and opportunities of organizing hybrid events to promote MICE tourism in Sri Lanka. Furthermore, the significance and contribution of the research are prominent in providing the foundation for future studies regarding organizing hybrid events as a tool to promote MICE tourism in Sri Lanka. Moreover, this study will provide a theoretical idea about the best practices, opportunities, and challenges in organizing hybrid MICE events.

Additionally, this study will comfort future researchers and scholars as a base for their studies. The study's findings will contribute to the MICE industry of Sri Lanka when developing guidelines to organize standards, quality, and successful hybrid events. Emerging Sri Lankan entrepreneurs can grab the outcomes from the study to create new businesses related to hybrid events management.

METHODOLOGY

This research aims to find the best practices, challenges, and opportunities for staging hybrid events to promote MICE tourism in Sri Lanka. As a result, the researcher chose a qualitative research approach. Moreover, this research requires detailed information, opinions, and perspectives of the MICE managers. Further, the study was coordinated with the Sri Lanka Association of Professional Conference, Exhibition, and Event Organizers (SLAPCEO). There have been 28 companies registered under SLAPCO. Therefore, target population of this study was SLAPCEO registered MICE company managers. Fifteen MICE managers of registered companies in SLAPCEO have been selected as the sample using a purposive sampling technique. The data was gathered through structured face-to-face interviews with MICE managers. Interview lengths were approximately 30-40 minutes. The data was analyzed using the content analysis method. The content analysis categorized the data by utilizing categories generated from the data (Figure 01).

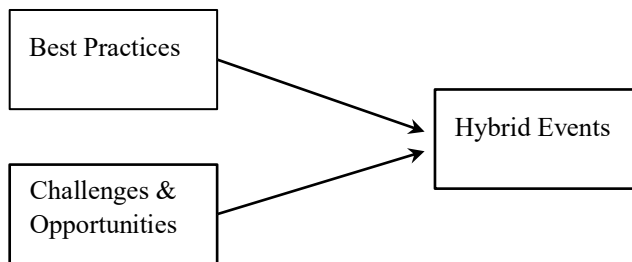


Figure 1 Concept Indicator Model

RESULTS AND DISCUSSION

Some best practices are ensuring internet connectivity, clear communication, user-friendly platforms and licensing, checking time zones, contingency planning, and maximizing interaction. Due to the time variability in the world, checking time zones and preparing for a risky situation with a contingency plan is also considered a best practice. However, maximizing participant interaction using various strategies can also be a best practice. When considering the best practices found by this study, ensuring internet connectivity, ensuring equipment and electricity, and ensuring clear communication seemed are prominent. As the second research objective, challenges and opportunities of organizing hybrid events have been identified. However, research findings show that stable connection and data cost, consistent experience, and venue selection were challenges.

Moreover, as opportunities, the ability to increase the number of participants increased sponsorship opportunities, and high revenue and profits were identified. Stable connection and data cost are a challenge in this study; however, when considering hybrid events literature, the connection is recognized as a challenge and conforms to this study's findings—ensuring the speakers and internet connectivity. Moreover, data cost is also considered a challenge in organizing hybrid MICE events in Sri Lanka. Since Sri Lanka is an island and not sharing borders with other countries is the cause of high data cost. As Ranasinghe (2021) states, Sri Lankan data is expensive due to undersea cables, maintenance, and lower density usage. However, despite the challenges of organizing hybrid MICE events, opportunities also were

found. Accordingly, high revenue and profits can be achieved by organizing hybrid MICE events in Sri Lanka.

Moreover, as respondents stated, issuing an entrance fee for the virtual attendees can be identified as a revenue generation mode. Providing a virtual experience for events can enhance ticket sales, engagement, brand visibility, and lead generation (Martinez, 2021). Table 01 shows a summary of the research findings.

Table 1 Categories Summary

Objective	Code	Categories
One	Best Practices	<ul style="list-style-type: none"> ● Assure Internet Connectivity ● Assure Equipment and Electricity ● Assure Clear Communication ● User-friendly Platforms and Licensing ● Check Time Zones ● Contingency Planning ● Maximize Interaction
Two	Challenges	<ul style="list-style-type: none"> ● Stable Connection & Data Cost ● Offering an Uniform Experience ● Venue Selection
	Opportunities	<ul style="list-style-type: none"> ● Ability to Increase Participants ● Increased Sponsorship Opportunities ● High Revenue and Profits

CONCLUSIONS AND IMPLICATIONS

In Sri Lankan MICE tourism, hybrid events management is still a developing category even though regional MICE competitors organize hybrid MICE events often. According to the research findings, hybrid event managers should ensure internet connectivity as an essential practice to secure the smooth flow of events. In order to cope with the high data cost, event management professionals can negotiate with the telecommunication providers and maintain good supplier relationships. The government should aid and establish necessary infrastructure facilities to encourage the MICE industry. Hybrid MICE event organizers should understand that, since the virtual platform can achieve high reach, the gain is also higher than the physical event. Moreover, as per the study's outcomes, it can be recommended to publish a national guidebook for hybrid events management to disseminate best practices and other related findings revealed by this study. Additionally, organizing or bringing a reputed international hybrid MICE event to Sri Lanka is recommended.

Keywords: Best practices, challenges, hybrid events, MICE tourism, opportunities

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IMPACT OF DOMESTIC TOURISTS' RISK PERCEPTION ON THEIR TRAVEL INTENTION DURING POST-COVID-19 PANDEMIC

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INTRODUCTION

The COVID-19 pandemic has crippled the tourism sector drastically, not only by preventing foreign tourists from visiting Sri Lanka and domestic tourists from traveling around the local tourism destinations (Sri Lanka Tourism Development Authority, 2020). The world tourism industry faces multiple issues in tourism demand and supply (Matiza, 2020). This study examines the impact of domestic tourists' risk perception (health risk, psychological risk, financial risk, destination risk, and travel risk) on their travel intention during the post-COVID-19 pandemic as the research objectives.

Community wellbeing and safety measures through lockdowns can control the spreading of infections to a greater extent. However, when such stringent safety measures can negatively impact the tourism industry's continuing development (Bhuiyan et al., 2021). Most international researchers have researched public behavior on making traveling perceptions under the influence of COVID-19. They have identified the relationship between travel intention and the factors involved. In the Sri Lankan context, it would be essential to conduct research to identify how the public change their traveling intention based on risk perception (health risk, psychological risk, travel risk, financial risk, and destination risk). Here hope to see how risk perception affects the travel intention of Sri Lankan domestic tourists during the COVID-19 pandemic. It is essential to identify factors influencing risk perception on travel intention and investigate the influence of risk perception on the intents and travel of Sri Lankan tourists. With the pandemic crisis, there has been a significant change in future travel planning, inspiration for traveling, and so on. Because of this, the safety of hygiene, financial situation, transport patterns of travel, standards of accommodation (destination facilities), etc. There is an argument that we have adequate knowledge regarding understanding how domestic travelers behave and make decisions under pandemic situations. The researcher has found this is an opportunity to come up with new knowledge and value addition to the field of tourism.

Rebuilding the tourism sector and providing tourists with rewarding experiences must be done by exploring alternatives to mass tourism, focusing on foreign tourism and domestic tourism. Therefore, it is essential to analyze and create new knowledge about the perception and behavior of international and local tourists, which will help explore new ways to recover the tourism industry. If proper strategies are planned and implemented, the tourism sector will grow to its potential as the primary driver of social, economic, and environmental welfare. After completing this study, it is expected to obtain new findings regarding the domestic tourists' risk perception and travel intention and give a path for future studies. As a result, it may benefit some society parties, like other researchers, university students, and academic writers willing to study these research studies. The findings and recommendations may be more valuable for the event and entertainment industry, travel agencies that focus on local tourists to identify their travel behavior and thinking patterns, and businesses can gain new

ideas to promote their services and improve their businesses to the maximum satisfaction of the tourists.

METHODOLOGY

This research explains the study's methodology, the study sample, the way of collecting data, and the data analysis. This study will find the influence of factors on the travel intention of a person by using health risk, psychological risk, financial risk, destination risk, and travel risk as independent variables. Quantitative research is gathering and analyzing numerical data, widely conducted in the natural and social sciences by applying statistical methods (Bhandari, 2020). Therefore, the type of this research is quantitative research that measures variables using numerical systems. This study examines the factors influencing tourists' behavior and perceptions of traveling post-COVID-19.

Further, it explores to what extent characteristics such as health risk, psychological risk, financial risk, destination risk, and travel risk impact their travel intention. So this study aims to use an explanatory research design. As a research approach in this study, the deductive approach is used as we intend to test the belief concerning risk perception factors and tourists. The sample size of the study was determined by using rule of thumb as it is one of the most acceptable methods. According to that, the researcher determined that the sample size was 302 domestic tourists in Sri Lanka. The non-probability sampling method was chosen because there is no equal chance of selecting all population members for the sample. The researcher used a quantitative method to collect data. Primary data were collected through a structured questionnaire. The questionnaire was presented in English and Sinhala as it is proposed to present to local tourists. It was set up with 5-Point Likert scale questions to measure the variables. An online Questionnaire was developed to collect information about respondents, for example, age, sexual orientation, etc.

Furthermore, in the second piece of the survey, respondents needed to address questions identifying their travel behavior and risk perception. Secondary data was collected through previous research findings, related articles, websites, and other academic publications in the English language. Gathered data should be analyzed correctly to reach the objective of this study. The researcher has used statistical analysis package -21 (SPSS).

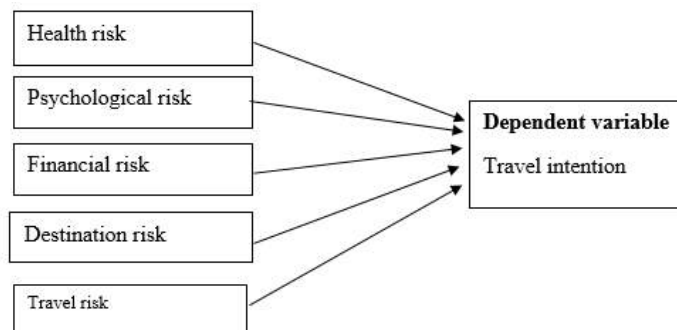


Figure 1 Conceptual Framework of research

Based on the conceptual model (Figure 1), the following hypotheses were developed for testing the impact of domestic tourists' risk perception on their travel intention during the post COVID-19 pandemic.

H₁-Health risk has a significant negative impact on the travel intention of domestic tourists during post COVID -19.

H₂-Psychological risk has a significant negative impact on the travel intention of domestic tourists during post COVID -19.

H₃-Financial risk has a significant negative impact on the travel intention of domestic tourists during post COVID -19.

H₄-Destination risk has a significant negative impact on the travel intention of domestic tourists during post COVID-19.

H₅-Travel risk has a significant negative impact on the travel intention of domestic tourists during post COVID-19

RESULTS AND DISCUSSION

As per the all-frequency analysis researcher has indicated, in 302 samples, the majority of respondents were females; the highest percentage is 40.7% in the 25-34 age group. Most of the respondents are from North Central province, a percentage that is 25.5% in the survey. The most significant number of respondents were employed in the public sector, with 37.7%. In the survey, most respondents earn a monthly income of 25,000 to 50,000. Moreover, most of the sample visit the country from 1 – 2 per year and 3-5 times per year. According to descriptive statistics, the mean value of every independent variable exceeds 3. It represents that most of the respondents were given their answers on the relatively agree and the strongly agree level. The dependent variable of travel intention indicated 3.7494, and its St. The deviation is 0.6986. Hence travel intention is on a relatively agreed level. The R squared value is 0.517, which means 51.7% of the data affecting travel intention by health risk, psychological risk, financial risk, destination risk, and travel risk. On the other hand, the remaining 48.3% of travel intention is explained by other factors beyond the study.

Table 1- Regression analysis (coefficient results)

Model	Unstandardized Coefficients		Standardized Coefficient	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
1 (Constant)	7.067	.387		18.271	.000		
Health_Risk	-.578	.061	-.499	-9.432	.000	.582	1.718
Psychological Risk	-.201	.063	-.188	-3.193	.002	.470	2.127
Financial_Risk	-.146	.052	-.152	-2.797	.006	.554	1.807
Destination_Risk	-.207	.061	-.185	-3.358	.001	.535	1.868
Travel_Risk	-.211	.062	-.203	-3.374	.001	.449	2.228

a. Dependent Variable: Travel Intention

According to the regression analysis the result of the coefficient table has been represented that health risk ($\beta = -0.499$, $p = 0.000$), psychological risk ($\beta = -0.188$, $p = 0.002$), financial risk ($\beta = -0.152$, $p = 0.006$), destination risk ($\beta = -0.185$, $p = 0.001$), and travel risk ($\beta = -0.203$, $p = 0.001$) were shown significantly negative impact on the travel intention. Therefore, all hypotheses in the study were accepted. According to the above results, the researcher achieved the sub-objectives of the study.

According to (Perić et al., 2021), the findings indicated that the risk perception (health, psychological, financial, and destination risk) among Serbian tourists negatively impacted their travel intention during the COVID-19 pandemic. So, the researcher also indicates the same result as this empirical study.

This empirical study is based on research that gathers data from foreign tourists (Serbian). However, this study is based on information on domestic tourists in Sri Lanka. Here the researcher points out that although the two countries are different, their behavioral pattern, expectations, and way of thinking are differently. However, in planning their travels (travel intention), the level of concern given in the face of different natural and artificial risks (risk perception) is very similar. Then the researcher emphasizes the reason for similar findings based on research findings.

CONCLUSIONS AND IMPLICATIONS

The study aims to examine the impact of risk perception on the travel intention of domestic tourists in Sri Lanka. To find out this impact, researchers selected 302 domestic tourists as a sample of the Sri Lankan population. A well-structured questionnaire was used for data collection. Then gathered survey data were calculated and analyzed using the software SPSS 21. It used five identified risk factors to examine the domestic tourists' travel risk in Sri Lanka. They are a health risk, psychological risk, financial risk, destination risk, and travel risk. As per the result of regression analysis, the five variables (all variables) significantly negatively impact the travel intention of domestic tourists in the Sri Lankan region.

To fulfill the study, the researcher has identified five specific objectives and developed a conceptual framework and research hypothesis based on the empirical research studies. Travel intention, risk perception, and risk perception variables' mean values are higher than three based on the regression analysis; all variables showed a significant negative impact on the dependent variable. Then all hypotheses were accepted. Finally, according to the research findings, the researcher identified a significant negative impact of domestic tourists' risk perception on their travel intention post-COVID-19.

Travelers worry about stopping their usual trips by discovering new virus strains. So researcher's recommendations are to launch and promote destinations through an online promotional program that reflects that it is safer to travel to destinations to alleviate the current fears of tourists. Travelers, drivers, and conductors who engage with public transportation can also be introduced and enforced to follow specific rules by the government and expand the use of electronic ticket issuing machines so that tickets can be purchased without direct contact with the conductors without exchanging money. Moreover, sanitary facilities can be added to the transportation mode. Priority will also be given to hotels that follow the health guidelines

issued by the government and relevant authorities, providing the most reliable and quality service in the appropriate travel arrangements. It was also noted that even after COVID- 19, most domestic tourists are reluctant to travel to overpopulated destinations. This situation is an excellent opportunity for accommodation providers and small souvenirs in sparsely populated areas that have not been highly attractive in the tourism industry. As a result, hotels can build tourists' confidence using marketing strategies to travel to those areas and organize new travel events giving higher advertising. At the same time, the government, insurance companies, hotels, and travel agencies should work together to adopt the necessary rules and policies and introduce new insurance agreements to cover all risks related to COVID-19 at a reasonable price.

The researcher has focused on Sri Lankan domestic tourists who travel for leisure. Therefore, the researcher proposed to conduct future research based on study purpose, business study, religious purpose, etc. However, those who wish to do future research in this field may be able to conduct studies based on other regions and domestic and international tourist populations. Also, only five types of risk perceptions were used for this study. However, there are many other risk factors affecting tourists' travel intentions. Therefore, the researcher proposed to include other risk factors when conducting future research.

Keywords: COVID- 19, risk perception, Sri Lanka, travel intention

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IMPACT OF ECO-TOURISM ON LIVELIHOOD OF LOCAL COMMUNITY IN RIVERSTON OF SRI LANKA: A COMMUNITY PERSPECTIVE

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INTRODUCTION

Tourism is a massive industry worldwide, affecting the surrounding socioeconomic and environmental systems. The accreditation of a location as a tourist attraction has a direct impact on the area's economic development. Eco-tourism is responsible for traveling to natural areas that conserve the atmosphere and improve the local people's well-being (Bricker, 2017). It is expected to promote the local community's livelihood through socioeconomic and environmental impacts of eco-tourism in a given area. Riverston is a vital eco-tourism destination in Central Province because of its rich biodiversity, diverse plants and species, and climate.

Most researchers were interested in learning about eco-tourism practices and community perspectives (Sharmini & Bandusena, 2020). Riverston is an excellent environment for responsible travelers seeking nature, conserving the environment, and improving the well-being of locals. People's livelihoods have been combined with a specific area's political, environmental, and social elements. Riverston has more eco-tourism attractions oriented toward the livelihood community. Therefore, the researcher wanted to add some further findings related to the impacts of Riverston eco-tourism on the livelihood of the local community. The study focuses on the local community's livelihood factors influenced by eco-tourism activities. The findings of this study help travelers and eco-tourism-related organizations to know how to behave and deal with nature and the environment. Moreover, it helps to understand what opinions the local community has regarding tourists traveling to such eco-tourism destinations and how it impacts the local community.

METHODOLOGY

A qualitative approach was taken for the research, with face-to-face interviews to collect data. The population of the study was the local community engaged in tourism; hotels and resorts, restaurants and bars, local product manufacturers, conservation officers in the ecological park, three-wheel drivers, and other relevant local communities who are providing their houses for eco-tourists to enjoy the culture. A total of 25 interviews were conducted to collect the required data. There were 80% of male respondents and 20% of female respondents in the sample. When it interpreted the age of the respondents, it has clearly shown that all the respondents were above 25 years old. Moreover, the researcher has found that 52% of owners of the respondents, 24% were employees, 16% were three-wheel drivers, and 8% were managers from the respondents.

The thematic analysis, along with a frequency analysis of occurrences, was used for analyzing data.

RESULTS AND DISCUSSION

Through a qualitative statistical approach, the researcher has done a frequency analysis that quantifies how eco-tourism positively or negatively affects the livelihood factors of people in Riverston, as shown in Table 1.

Table 1 Eco-Tourism Impact on the Livelihood Factors

Livelihood factors	Negatively impact %	No Impact %	Positively impact %
Average monthly income	0	16	84
Employment opportunities	0	28	72
Local product industry	0	40	60
Job security	12	32	56
Working hours	04	16	80
Cost of living	76	24	0
Income disparity	08	40	52
Public facilities	36	52	12
Transportation network	04	64	32
Real estate value	0	24	76
Housing standard	36	24	40
Education of the community	0	64	36
Community attitudes and community intention	12	48	40
Local culture	12	20	68
Nighttime functions	0	0	0
Illegal activities	04	20	76
Level of pollution	08	12	80
Disaster resilience	0	80	20

The researcher has used thematic analysis to interpret the narratives of the community members on their perspectives on the effects of eco-tourism on livelihood aspects. The researcher has developed several themes based on identified livelihood factors. Here, the researcher has identified education of the community, community attitudes and community intention, local culture, and illegal activities as social aspects, average monthly income, employment opportunities, local product industry, job security, cost of living, and income disparity are as economic aspects, public facilities, transportation network, and nighttime functions are as physical aspects, and real estate value, level of pollution, and disaster resilience are as environmental aspects in this study. According to the results, the majority thought that eco-tourism would positively impact employment opportunities in the Riverston area due to the eco-tourism activities. According to a respondent;

"Riverston mainly depends on tourism, and with the increase in visitors' arrival, their hotel provides more job opportunities to the villagers with their busy schedules."

According to the interviews, no nighttime functions occurred in the Riverston destination. Nighttime functions refer to theaters, camping, music events, stag parties, and other festivals that occur at night time. There is already an excellent local product industry in the Riverston

area, which is relatively sparse. Kithul products and coconut and wood products, which are endemic to the area, have created a market for local and foreign tourists. According to the respondents;

"Not only tourists but also travelers also enjoy local food like these Kithul products. Therefore, they earn a considerable income from this. However, villagers should pay more attention to these local products selling."

Most people who provided information for the data assessment said that eco-tourism allows many to earn enough to narrow their income gaps through job creation. In the Riverston area, 36% of respondents said that eco-tourism was detrimental, as state-sponsored development projects had not been implemented for some time, and the existing road network was being damaged due to overcrowding. According to the data analysis, the public transport network in the Riverston area has not improved. People said that eco-tourism has not led to the development of the transportation network.

"With the eco-tourism concept, the Riverston community began to give more attention to their culture and environmental protection. I think eco-tourism changes peoples' attitudes and beliefs in a good way."

Through such a response from the interview, it was evident that from the eco-tourism concept, people have learned to protect nature and environment while traveling and doing tourism-related activities in their living place. Because they believed that many tourists visit to enjoy the pure nature and environment in Riverston, the word 'Eco-tourism' implies the minimum pollution for the environment and society. Moreover, the community has shown a highly positive impact on the pollution level or pollution reduction. Moreover, the foreigners have understood their responsible traveling role within the Riverston area.

Eco-tourism has become a key source of income in Riverston. Restaurants, hotels, tour guiding, three-wheel drivers, and homestays are all well-known revenue generators in the area. The average monthly income of the community in Riverston has increased, as well as increased their employment opportunities and contributed to the growth of the local production industry. It seems that eco-tourism has made a positive contribution to the economic aspect.

Restaurants and homestays were suitable income generators, and people expanded their homes without consulting anyone. According to the villagers, there has been no improvement in the local road network or other infrastructure development in Riverston over the years, which can negatively impact physical aspects. Absorbing its beauty in an environmentally friendly manner is very evident in the context of eco-tourism in Riverston. The Riverston community believes this is a significantly destructive effect on the environment due to the behaviour of many local travelers. According to them, a few local travelers do not understand how to preserve the beauty of the eco-tourism environment, and their illegal littering has become a significant problem. Livelihood assets aid in the redesign of a better living environment and promote socio-cultural participation. Human assets are here to maintain interpersonal connections consistently, while physical assets make the physical surroundings more comfortable. The research findings clearly show that the local community's economic growth

and physical aspects can be seen in proportion to the growth of livelihood assets related to eco-tourism.

It has different nature of the impact eco-tourism has on the community's livelihood. The majority said that eco-tourism positively impacts average monthly income, employment opportunities, local product industry, job security, working hours, income disparity, real estate value, housing standards, community intention, local culture and illegal activities, and level of pollution. The results show that eco-tourism has no impact on Public facilities, Transportation networks, and education in the community, Disaster Resilience, and Community Attitudes. Admittedly, Riverston is a tremendous natural conservation forest in Sri Lanka. Hence, eco-tourism has spread all around Riverston, and it has significantly affected the local community in the destination.

CONCLUSIONS AND IMPLICATIONS

The study's purposes were to determine the local community's livelihood elements that are influenced by eco-tourism, as well as to identify the significant factors and the direction of the eco-tourism influences. Aside from the breakdown with Coronavirus, it is clear that the Riverston community's livelihood is directly or indirectly linked to tourism. Therefore, the stability of the tourism industry is an essential factor for the people of the Riverston area. The study has provided suggestions and recommendations to overcome drawbacks within the eco-tourism activities in Riverston and to improve the eco-tourism in that area. Therefore, this study would be aided by many stakeholders in Sri Lanka. Through the analysis, the researcher has found the factors that impacted eco-tourism and the nature of the impact. This study concludes that eco-tourism has a significantly positive on income level, employment opportunities, and local product manufacture, while there were some significant negative impacts on the cost of living of the local community in the Riverston area and that there is a need for a mechanism that understands eco-tourism contexts to regulate such impacts. Finally, recommendations are made to reduce harmful impacts while encouraging favorable influences from the Riverston. They have observed that local people dispose of polythene and other harmful materials to nature during their tour. Therefore, the respondents have mentioned that local travelers should be aware of how to travel while protecting the environment and a guide or a villager. Moreover, the local community suggests that the relevant authority construct the road to travel without difficulties for tourists. Moreover, the researcher has recommended to availability of some motivational programs to enhance the motivation level of the local community to manufacture more local products and sell to eco-tourists.

Keywords: Eco-tourism, livelihood factors, livelihood activities, Riverston community

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IMPORTANCE OF EMBRACING SUSTAINABILITY IN TOURISM PLACE- MAKING: A CASE STUDY IN ELLA

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INTRODUCTION

Ella, a sleepy mountain hill town in Badulla District, compacted with thousands of emotions, thoughts, and experiences, creates a niche on both local and global levels. It has emerged as a top tourist destination in the country as a base for eco-tourism, which contributes to creating several opportunities for small-scale tourism operators. Though it is a small destination, it is a land of diversity that creates tourist attractions and commodities. Ella is one of the most prominent tourist destinations in recent history, a self-emerged brand in the world tourism industry. According to the Ella-Tourism Development Master Plan (2020), half of the villagers survive through traditional agricultural practices connected to their employment and vegetable farming. Considering the number of benefits a community can earn, more people shifted from traditional agricultural practices into tourism in Ella. Most teenagers and the younger generation are attracted to the benefits they can earn and engage in illegal activities.

Though it earns financial benefits via tourism, it causes various negative impacts on the community, mainly; in socio-cultural, environmental, and economic aspects. According to the Global Sustainable Tourism Council (2020), “Sustainable Tourism refers to sustainable practices in and by the tourism industry, and it is an aspiration to acknowledge all impacts of tourism, both positive and negative.” In order to examine the importance of embracing sustainability in tourism place-making within a particular place, this study aims at investigating the negative impacts on the community in Ella due to place-making in tourism. Moreover, this study aims to emphasize the importance of embracing sustainability in tourism with a particular location, as without sustainability, it causes maximized negative impacts while minimizing positive impacts. The main objective of this study is to examine both negative and positive impacts while studying the importance of embracing sustainability to promote the tourism industry to achieve its goal.

METHODOLOGY

The theoretical orientation influenced the choice of the data to select a qualitative methodological approach to collect data. Using a purposive sampling method, data were gathered from primary and secondary sources. Primary data were collected via interviews and a questionnaire survey, including 30 participants. Among them, 10 participants were interviewed using an in-depth interview method, and the rest were given a questionnaire survey. At the same time, secondary data were collected through the Sri Lanka Tourism Development Authority Annual Reports and Resource Profile of Ella DS Division. Overall the study aimed at qualitative data to analyze both positive and negative aspects of tourism place-making in Ella. Collected data were analyzed by using various themes arising from the gathered data. The Ella Divisional Secretariat Division (Figure 1) was selected as the study area to examine the community's negative and positive aspects of the tourism industry. This

study is based on a qualitative methodological approach to collect some individuals' feelings, thoughts, and experiences.

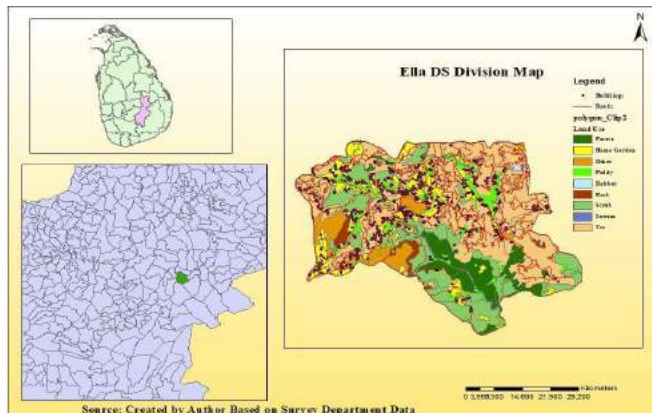


Figure 1 Ella DS Division Map

RESULTS AND DISCUSSION

As a tourist destination in Sri Lanka, Ella creates thousands of attachments, emotions, and experiences as a place that can be identified as a lived world in tourism place-making. Together with individuals' emotions, Ella became a spot famous for its natural beauty and calm surroundings. After the post-war boom, in 2012, Ella witnessed a fast-growing tourism trend, increased small-scale tourism operators who premise employment opportunities, and additional jobs ranging from low wage entry level to high paying professional positions in management generate more income while increasing the standard of living. Though it provides positive economic benefits to the community due to placemaking, it also has several negative impacts. The study found that it generated several illegal job opportunities, black money frauds, illegal businesses, etc. The participant describes her experiences in illegal job opportunities, *"I am 22 years old, and I went for a waiter job at one of the restaurants in Ella. After two to three years, I realized we could earn more money by doing illegal activities, and I gained more by keeping close contact with foreigners...."* (Interviewee 12, female) describes how serious this process is.

Tourism often encourages increases in the price of goods and services, land and housing, and the cost of living. It improves investments and public utilities with well-developed road networks. The number of apartments, rooms, and workers in selected hotels and homestays in Ella shows a rapid increase from 2012 to 2017 (Figure 2), showing more opportunities given by tourism contributing to the income of the people in the area.

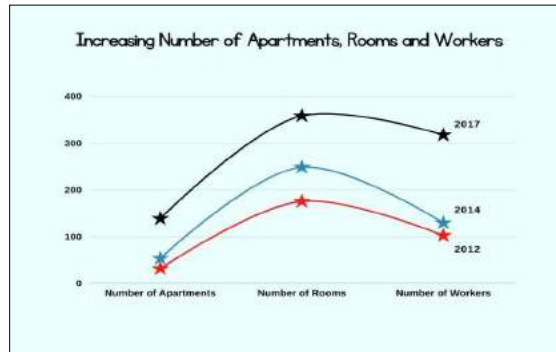


Figure 2: Increasing number of apartments, rooms and workers

Ella promotes itself as a base for eco-tourism with great scenic beauty, tourist attractions, and new homestays with traditional foods that seek emotional and spiritual connections with nature. However, according to the findings, the opposite is happening even faster. Accordingly, the study revealed that the level of pollution, destruction of vegetation, and loss of open and green space are increasing due to tourism in the area. People build their hotels, restaurants, and apartments without assessing the environmental impact and causing damage to the natural environment. According to one participant, *"Ella is a more mountainous area, so people build their hotels without any standard way which flattens the slopes. Last month there was a landslide that injured five tourists..."* (Interviewee, 18, Male), described his experience showing how non-sustainability affects a particular industry. Though it comprises agricultural lands and vegetation, natural land cover is disturbed and reduced after implementing tourism-based projects. Land degradation, excessive tree cutting, soil erosion, and natural hazards can be witnessed in Ella DS Division due to improper land use and construction of hotels.

Resulting tourism place-making in Ella after the post-war boom, tourism made a remarkable recovery, becoming our country's fastest growing economic sector. Thus, most areas are witnessing a fantastic trend, including Ella, which has transferred more than half of villagers into tourism-based livelihoods apart from agricultural-based occupations. Tourism's social and cultural consequences warrant careful consideration, as the impacts can neither become assets nor detriments to communities. Arrivals of tourists bring diverse values to the community and influence behaviors and family lives. The study found that it caused negative impacts like; excessive drinking, alcoholism, gambling, prostitution, HIV/AIDS threat, and rising crime rates, which affect the existing socio-cultural aspects. Most young students used to follow these types of unwanted lifestyles, and it made an unresolvable matter in their traditional lives. Health-related issues are crucial to the community, which cannot recover from a sudden moment. Here is one of the respondent's experiences she heard regarding health-related issues, *".....she kept a close relationship with one of the tourists who came to Ella, and he paid her for that. After some years, she married and got ready to give birth to her first child. Suddenly, she got to know she had HIV/ AIDS. Then that child died when she was giving birth to him...."* (Interviewee, 9, Female midwife)

Concerning the socio-cultural genuineness of the host community and continuing the social-cultural values and norms, protecting natural and ecological balance and providing long-term benefits equally has to be in the tourism industry to promote sustainable tourism. According

to the United Nations World Tourism Organization Agenda 2030, "Sustainable tourism development guidelines and management practices apply to all forms of tourism in all destinations, including mass tourism and the various niche tourism segments. Sustainability principles refer to tourism development's environmental, economic, and socio-cultural aspects, and a suitable balance must be established between these three dimensions to guarantee its long-term sustainability." The study found that tourism place-making in Ella hits the host community with positive and negative economic, environmental and socio-cultural impacts. It harms the goal of developing the sustainability of a place that minimises the positive impacts while increasing negative impacts. The affected community needs some awareness regarding these crucial issues raised by tourism place-making in the country, including Ella.

CONCLUSIONS AND IMPLICATIONS

Tourism is one of the fast-growing economic sectors in Sri Lanka, providing several opportunities for small-scale tourism operators to go through their businesses to raise their standard of living. When a place experiences place attachment and attraction, it becomes a popular tourist destination to create a commodity of perceptions of places. After the post-war boom, Ella was fully converted into a busy, complex city, accelerating the number of tourist arrivals per month. When tourist arrivals are increased, positive and negative impacts also increase. Tourism lies upon the local community's assets and needs to enhance their lives. Though the host community benefits, tourism activities must be regulated to ensure sustainability. The study found that it is essential to embrace sustainability to minimize negative impacts while maximizing positive impacts because there is no plan to secure small-scale tourism operators in Ella when they face the decline in tourist arrivals. To ensure local communities benefit equally, there has to be a proper balance in implementing tourism policies concerning its host community. Reducing land degradation, preservation of the natural environment, improving the appearance of the area, shaping the biological diversity within the area, implementing rules and regulations for illegal activities, and conducting awareness programs for the host community are essential to ensure sustainability within the tourism industry in the country including in Ella. The study proved that even though the government has plans, they are still not in action to minimise the above negative impacts.

Keywords: Ella, negative impacts, place-making, socio-cultural, sustainable tourism

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PERSPECTIVES OF RESIDENTS TOWARDS POST-WAR TOURISM DEVELOPMENT ACTIVITIES IN JAFFNA AREA

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INTRODUCTION

Tourism is one of the leading industries in the global economy, and in Sri Lanka, tourism is the third largest contributor to the foreign exchange earnings of the economy. According to the Sri Lanka Tourism Development Authority (2018), tourist arrivals to Sri Lanka during the year 2018 amounted to 2,333,796, with a year-to-year increase of 10.3 percent. In Sri Lanka, especially in Jaffna, tourism is a fast-growing industry after thirty years of civil war, which ended in 2009. According to Tony and Etienne (2002) and Vannarith (2008), tourist arrivals to countries such as Sri Lanka, Cambodia, Germany, and France have continuously increased. Further, many scholars have stated that many battlefields in Asia and other regions are becoming popular as tourist destinations (William & Keir, 2009; Scheyvens & Momsen, 2008; Timothy & Boyd, 2006). According to Sharpley and Ussi (2014), tourism promotion is a critical component that uplifts the economy and the community. Relevant to that, in Jaffna, this industry has gained more concern. However, the industry in the area faces many challenges as it tries to become a leading tourist destination. The significant challenges are a lack of infrastructure facilities, poor institutional arrangement, ineffective marketing promotion, lack of interaction between tourists and the local community, poor environmental protection schemes, and limited public-private participation. Thus, this study explores residents' perspectives toward post-war tourism development activities in the Jaffna district. As secondary objectives, this study examines the potential pitfalls of developing the tourism industry in Jaffna and residents' perspectives on the impact of postwar tourism in Jaffna. Pusparatnam (2014) mentioned that Jaffna culture, historical background, heritage, and war memories are the best tools to attract tourists. The most famous cultural identity of the Tamil community, Jaffna District (JD), is situated in the Northern Province, 462 km from the capital of Sri Lanka. JD consists of 15 divisional secretariat divisions. The total district population is around 610,640, 78.8% of the population is rural, and the remaining 21.2% live in urban areas.

METHODOLOGY

This study has used the qualitative approach. According to Gomm (2008), Miles and Huberman (1994), and Ritchie and Spencer (2002), this approach is the best for studying social phenomena. It realized that the best way to gather knowledge from people directly and indirectly related to the industry is through interviews in the Jaffna district. This study was developed based on primary and secondary data. Primary data was derived from the interviews and the secondary data from the documents such as annual reports of the Sri Lanka Tourism Development Authority and Northern Province. The study's sample size was fourteen respondents comprising seven stakeholders of the tourism industry and seven others not in the

tourism industry, which was selected using the convenient sampling technique. Semi-structured interviews were undertaken. This method was used by Lew (2014), Daskon and Binns (2009), and Becken (2013) in order to gain knowledge of different stakeholders. The primary and secondary data were analyzed using the thematic analysis technique.

RESULTS AND DISCUSSION

When discussing the importance of peace for tourism development in Jaffna, it includes; the three-decade-long civil war ended on 18th May 2009. Many tourist destinations closed during the war are now open to local and international tourists. The initial reaction to this situation was many local tourists visiting the large city of Jaffna in northern Sri Lanka. Shortly after the opening of this area, about 85,000 tourists visited here in the first two months after the war's end. The moment behind this trend is transforming this public motivation into a successful reconciliation process. When discussing the challenges towards the post-war tourism development activities in Jaffna, based on the responses, the researcher found that the main challenge towards tourism development in Jaffna is poor planning. The government should formulate tourism plans in collaboration with the tourism operators to be more responsive.

According to interviewee 2, the culture of Jaffna is another big challenge when developing the tourism sector in this region. Generally, the people of Jaffna always give high priority to their culture. However, most of the people in Jaffna still fear that the tourism development activities in Jaffna will significantly erode the culture of Jaffna. In Jaffna, most of the tourism-related industries and government departments do not consider the actual residents' needs and wants. For example, if they develop a particular area as a tourism destination in the north, they should decide what tourism is essential. The northern tourism bureau recognizes the religion that characterizes the region. They use culture and religion as a tool to promote tourism in the north. According to the residents' responses, the researcher found that the residents of Jaffna are adamant that the post-war tourism development activities in Jaffna should not impact their culture. Considering the residents' responses, the lack of community engagement is another big challenge to developing tourism and related activities in Jaffna. They view a lack of social engagement as a big challenge. Moreover, they said people on the ground do not want to engage in tourism or tourism-related business.

When analyzing the perception of the economic impact of post-war tourism in Jaffna, according to the resident's point of view, the researcher found that the level of tourism-related infrastructure development in Jaffna is not fully satisfied. They mentioned that the basic level of infrastructure development such as road, electricity, and communication facilities are ok here. However, the development of the tourism-related infrastructure is comparably less than the other tourist destinations in Sri Lanka.

So the tourism-related businesses and local government in Jaffna need to analyze the opportunities properly, and they can identify the facilities required to implement the plans. These include healthcare, waste management, water management, transportation, and recreation. Access to the above facilities is key to creating a sense of belonging among tourists. According to participants' statements, the diverse population in Jaffna gets various employment opportunities according to their qualifications. Moreover, unemployed graduates have found employment in various fields of tourism in Jaffna. Thus, the tourism industry, which employs many people in this region, is a significant source of employment in Jaffna.

Tourism can increase the cost of goods. This is the current situation in Jaffna. The cost of goods and services is twice the average price. It is a consequence of the tourism industry in any destination. The same can be said of real estate sales. Jaffna is now facing a shortage of land, especially around the city and coastal areas.

As the analyzed data about the perception of the residents on the socio-cultural impact of post-war tourism in Jaffna, it is found that, generally, domestic tourism causes a change in revenue. According to this statement, after the post-war tourism development, more and more domestic travelers are visiting Jaffna. As a result, those who earned low income in the past are now earning a higher income, leading to better living standards, not only it has led to enhancing the infrastructure facilities in these areas. Preservation of the culture is another positive outcome of the post-war tourism development in Jaffna. The tourists visiting Jaffna are spreading the culture of Jaffna to others. Moreover, tourism helps to preserve the art and folk of Jaffna Tamils. The tourism industry organizes many events, such as exhibitions and festivals, to preserve Jaffna's culture, art, and folk arts. Such kinds of dance and folk arts are unique to Tamil culture. Moreover, the monuments of historical significance are preserved by the tourism in Jaffna, such as King Sangiliyan's Statue, Ruins of King Sangiliyan's Minister's Residence, Kantharodai Archaeological monument, Jaffna Fort, Dutch Katchcheri Ruins, etc.

The post-war tourism development activities in Jaffna positively affect the socio-cultural context. It also negatively affects society and culture. Some illegal activities, such as alcohol and drug usage, gradually increase in Jaffna after the post-war tourism development. When analyzing the resident's perception of the environmental impact of post-war tourism in Jaffna, it is found that, due to the post-war tourism development activities, the perception of environmental protection has increased in the community of Jaffna. It is a sign of sustainable tourism development. Residents of Jaffna are interested in protecting the environment, including those directly and indirectly, engaging in the tourism industry. They know that protecting the environment can bring sustainability to the tourism industry and their lives.

Land pollution has become a significant problem in Jaffna because of tourism. The land is highly polluted by garbage. Moreover, Jaffna residents point out that most of the land pollution in Jaffna is caused by local rather than foreign tourists. Most of the local tourists throw trash everywhere.

The constructed themes based on the objectives of the study are as follows in Table 01.

Table 1 Construction of themes

Objective	Parental themes	Sub-themes
Objective 1	Jaffna after the civil war	<ul style="list-style-type: none"> ● The importance of peace for the post-war tourism development in Jaffna ● Challenges towards the post-war tourism development in Jaffna
Objective 2	Resident's perception towards the impact of the post-war tourism activities	<ul style="list-style-type: none"> ● Residents' perception of the economic' impact of post-war tourism in Jaffna ● Resident s' perception of the sociocultural impact of post-war tourism in Jaffna ● Resident s' perception of the environmental impact of post-war tourism in Jaffna

CONCLUSIONS AND IMPLICATIONS

According to the findings of this study, it can be concluded that peace played a vital role in the development of Jaffna's tourism industry after the civil war. The significant challenges of tourism development in Jaffna include; the strong culture and rituals of the descendants of Jaffna, poor tourism planning, and lack of community engagement in tourism-related activities. Further, the residents of Jaffna have solid cultural perceptions and demand cultural protection to a greater extent. Compared to the other districts, the infrastructure development in the tourism industry in Jaffna is deficient. Additionally, this study examined that the land of Jaffna is highly polluted by the local tourists than the foreign tourists through tourism and related activities. According to Dissanayake and Samarathunga (2021), there is a plethora of tourism potential within post-war Jaffna that includes both cultural and natural attractions: Hindu Kovils and Buddhist temples, colonial heritage, traditional cuisines and way of life, beaches, flora and fauna, and sceneries. The study further identified a lack of professionals, absence of a master plan, remoteness, poor infrastructure, and absence of tourist activities as the main obstacles to tourism development in Jaffna. The suggestions for the betterment of the tourism development in Jaffna based on the findings of this research include; implementing an action plan for tourism development with the corporation of the residents of the area, paying more attention to the development of infrastructure development, safeguarding the culture and unique identity of the Jaffna area while promoting them as attractions for tourism, implementation of the proper laws and regulations upon the use of land for tourism activities, provision of tourism-related awareness programs and educational programs to increase the involvement of residents on tourism activities and prepare a guide plan for the tourism development activities giving special consideration to the culture of the area.

Keywords: Community perception, Jaffna tourism, tourism impacts, tourism challenges, tourism development

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PROMOTING KANDY CITY AS AN OPEN-AIR MUSEUM

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INTRODUCTION

The International Council of Museums (ICOM)'s official website states, "The definition of a museum has evolved, in line with societal developments." Since its creation in 1946, ICOM has updated this definition following the realities of the global museum community. Previously, ICOM has defined a museum as "a non-profit, permanent institution in the service of society and its development, open to the public, which acquires, conserves, researches, communicates and exhibits the tangible and intangible heritage of humanity and its environment for education, study and enjoyment" (ICOM, 2007, p.9).

Recently, the Extraordinary General Assembly of ICOM approved the proposal for the new museum definition in Prague on 24th August 2022. According to the new definition, "A museum is a not-for-profit, permanent institution in the service of society that researches, collects, conserves, interprets and exhibits tangible and intangible heritage. Open to the public, accessible and inclusive, museums foster diversity and sustainability. They operate and communicate ethically, professionally and with the participation of communities, offering varied experiences for education, enjoyment, reflection and knowledge sharing" (ICOM, 2022). The term 'museum' may mean either the institution, the establishment, or the place generally designed to select, study and display the tangible and intangible evidence of man and his environment. The form and the functions of museums have varied considerably over the centuries. Their contents have diversified, as have their mission, way of operating, and management (Desvallees & Mairesse, 2010).

According to the definition given by the Association of European Open Air Museums, "Open air museum is scientific collections in the open air various types of structures, which as constructional and functional entities, illustrate settlement patterns, dwellings, economic and technology." Further, Ali and Zawawi (2016) stated that "Various names have known open air museums according to their specific focus: agricultural, folk, living history, heritage village (in Australia), museum village, living farm, living or out-door architectural (in America) and eco-museum (in France)." This research highlighted both tangible and intangible aspects of Kandy Sacred City to establish the open-air museum.

Several researchers have conducted studies on cultural heritage related to Kandy Sacred City. However, no previous research was conducted on promoting Kandy Sacred City as an open-air museum by considering cultural heritage by focusing on the entire tangible and intangible cultural heritage as museum objects. Therefore, the general objective of this research is to develop and propose to implement a model for promoting tourism through the open-air museum concept at Sacred Kandy City. Further, this research focuses on identifying the museum objects with more narrative strength to exhibit the significance of the cultural heritage of Sacred Kandy City through open-air museums. This research introduces the appropriate

method to function Sacred Kandy City as an active heritage tourism hub throughout the year by promoting the sense of place to experience the historical narration and present context.

METHODOLOGY

In this research, a literature survey, a field survey, and fifteen interviews have been conducted as data collecting methods. Collected data were analyzed through SWOT analysis and identified the narrative strength of museum objects. In this research, the word 'Museum objects' referred to buildings, landscapes, streets, sites, and intangible heritage. Through this methodology, this qualitative research developed and proposed to implement a model for promoting tourism through the open-air museum concept at Kandy Sacred City.

RESULTS AND DISCUSSIONS

The city of Kandy lies at an altitude of 488.6 meters (1629 feet) above sea level in the center of the island, surrounded by hills in the valley of the Mahaveli (Senevirathna, 1993). The last capital of the Sinhala Kings, Kandy, is remarkable for both natural beauty and cultural significance. Kandy was the capital of the Kandyan Kingdom (Senevirathna, 1993). The Kandy Kingdom functioned as the last bastion of the nation-state during 1592 - 1815 (Abeywardana, 2004; Senevirathna, 1993). The Kingdom was founded by Vimaladharmasuriya I in 1592 and ended when the British took captive its last King, Sri Vikrama Rajasingha, in 1815 (Senevirathna, 1993).

The official website of the UNESCO World Heritage Centre introduced Kandy as "This sacred Buddhist site, popularly known as the city of *Senkadagalapura*, was the last capital of the Sinhala kings whose patronage enabled the Sinhala culture to flourish for more than 2,500 years until the occupation of Sri Lanka by the British in 1815. It is also the site of the Temple of the Tooth Relic (the sacred tooth of the Buddha), which is a famous pilgrimage site." UNESCO declared Kandy as a World Heritage site in 1988, under the criteria for selection (IV) & (VI).

Criteria (IV)

"To be an outstanding example of a type of building, architectural or technological ensemble or landscape which illustrates (a) significant stage(s) in human history."

Criteria (VI)

"To be directly or tangibly associated with events or living traditions, with ideas, or with beliefs, with artistic and literary works of outstanding universal significance. (The Committee considers that this criterion should preferably be used in conjunction with other criteria)."

Based on the definition of open-air museums, a new model for promoting open-air museums for living heritage cities is developed by this study. The model is presented in Figure 1.



Figure 1 The new model for promoting open air museum for living heritage cities

When implementing this proposed model in Sacred Kandy City, the existing tangible and intangible cultural heritage could be categorized as mentioned below.

- Buildings - Secular buildings (Museum buildings, Queens hotel, Ulpenge),
- Religious buildings (Temple of the tooth relic, St. Paul's church)
- Streets - Deva Vidiya, Yatinuwara Vidiya, Kotugodella Vidiya
- Landscape - Lake, Udawattakele, Mahaveli river, Hantana mountain range, Bahirawa Kanda
- Sites - Garrison cemetery
- Cultural events - Perahera, Kandyan dancing, Food festivals, Dress, Sports
- People - Clergy, Craftsmen, Residents, Merchants, Nilames, Visitors
- Identities - Sinhala, Buddhist, Tamil, Hindu, Muslim, Christians, Aristocrats
- Religious aspects - Thevāva, Theru festival, Prayers
- Arts and Crafts - Statues, Paintings, Carvings, Music, Dancing, Lacquer artworks
- Economy - Tea, Gems, Spices, Jewelry
- Language - Dialects, Assimilations, Paleography

All the mentioned aspects are interconnected to provide the sense of Kandy in vertical and horizontal contexts. This model describes existing museums in Kandy and their exhibits as museum objects by considering their historical values, which link the heritage city and its narration. Therefore, this model will benefit from exhibiting the sense of Kandy heritage city beyond exhibiting the material evidence inside the museum cabinets.

The current visitors to museums at Kandy were interviewed to receive their opinion regarding the potential for promoting Kandy City as an Open Air Museum. The observations received through the interviews were considered in the SWOT analysis.

According to the SWOT analysis, the following Strengths, Weaknesses, Opportunities, and Threats could be identified.

Table 1 SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
Historical Value Landscape (Natural and Cultural)	Irregular construction Only focusing on the Perahera season	Museum objects Community	Overcrowding Not adhere to conservation principals
Kandy declared as a World Heritage	Cultural norms	Monitoring and funding	Social issues
Existing Museums	Exhibitions are not thematically arranged to exhibit the Kandy city	Previous researches	Depends on traditional exhibition methods and concepts
Religious aspects and Cultural events		Potential of implementing technology	Economic issues

CONCLUSIONS AND IMPLICATIONS

As per the discussion, the aspects of heritage management, sustainable tourism, museology, and archaeology will be positively affected by the proposed model. This proposed model could be practiced in the living heritage sites of Sri Lanka. Furthermore, this model will benefit from attracting visitors to Sacred Kandy City beyond the Perahera pageant season by focusing on both tangible and intangible cultural heritage exhibited within the open-air museum concept. As a result of implementing this model, Kandy city could maintain the attraction throughout the year by providing a sense of place to visitors. Through that, the economic benefits could be used for the sustainability of heritage management.

Implementing this model in the Kandy Sacred city, an appropriate policy should be developed with stakeholders to maintain the sense of place in the open-air museum and provide benefits to all parties while confirming the safeguard of heritage. Therefore, existing museums such as the Museum of Department of Archaeology, International Museum of World Buddhism, Sri Dalada Museum, Museum of Raja Tusker, Medawasala Museum, Kandy National Museum, and Museum of Ven. Sri Saranankara Sangaraja Thero, which belongs to the Malwathu Maha Viharaya, has to rearrange thematically by considering the narrative strength of objects. Moreover, a package for visiting the open-air museum Kandy could be introduced for visitors to experience the whole Kandy heritage city by considering all the aspects as museum exhibits. VR technology, audio-guided tours, conjectural reconstructions, facilities for special needs visitors, facilities for different age groups, booklets, temporary exhibitions, cultural shows, education programs, and the introduction of an app to provide a sense of place throughout the year were identified as short term and long term planning methods. Practicing this model, visitors could experience the sense of place by walking through the Kandy Sacred City with the feeling of museum walks among museum galleries.

Keywords: Heritage management, Kandy sacred city, open-air museum, sense of Place, tourism

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THE CHALLENGES AND POTENTIAL TO PROMOTE AYURVEDIC TOURISM IN SRI LANKA DURING THE POST-COVID-19 PANDEMIC

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INTRODUCTION

Tourism comprises the activities of persons traveling to and staying at places outside their usual permanent places of residence for a period not exceeding 12 months for leisure, business, and other purposes. Which is one of the world's largest industries and the economies of many nations. COVID-19 was first identified in Wuhan, China 2019, and was soon declared to be a global pandemic. The travel and tourism industry is one of the most badly affected industries in the world due to the pandemic. With the spread of the COVID-19 pandemic, international tourist arrivals dropped by 74% in 2020, causing a loss of USD 1.3 trillion in export revenues. According to the World Tourism Organization data, in 2020, International arrivals dropped by 74%, causing a loss of USD 1.3 trillion in export revenues.

During the COVID-19 revival phase, Alternative tourism has a significant role to play instead of mass tourism. Even though there was a rapid decline in arrivals in 2019, tourist arrivals for Health purposes in Sri Lanka have slightly increased. According to the Sri Lanka Tourism Development Authority (2019), the visit for Health purposes in 2019 was 0.6%, an increase of 0.1% compared to the previous year. According to the statistics of the Survey of departing foreign tourists from Sri Lanka, 2018-19, among the other popular activities, 26.6% of tourists have visited for Ayurveda/spa/wellness purposes. Ayurveda is one of the oldest and most famous natural health care systems primarily practiced in the south Asian region. It originated in India and has developed in different countries through the religious and cultural background of the local society (Sathiyaseelan & Gnanapala, 2015). Ayurveda body massage, facial treatment, herbal steam bath, nasal treatment, and head oil application are a few treatments performed in Ayurveda. As soon as the Corona epidemic recovers, consumption changes can be expected. According to Ranasinghe (2020), Ayurveda and indigenous medicine are immediate opportunities to be seized. Health and wellness will become the main travel purpose among western tourists, and alternative tourism demand will be increased (Samarathunga, 2020). Furthermore, Sri Lanka is one of South Asia's best options for ayurvedic tourism. Sri Lanka has a competitive advantage in grabbing this market associated with deep-rooted Buddhism and Hinduism philosophies and Ayurveda in Sri Lanka. According to Samarathunga (2020), with the expansion of COVID-19, Travel restrictions and distance maintained led to a decline in the desire of the people to travel to more frequented, crowded destinations. Under this situation, alternative tourism forms received attention, and it is assumed that alternative tourism can be utilized as a tourism resource and protect the tourism industry of Sri Lanka. Therefore, promoting Ayurveda and indigenous medicine can be considered a short-term strategy to boost the demand for Sri Lanka Tourism during the post-COVID revival phase (Samarathunga, 2020).

Medical tourism has also been identified as a developing industry by the government of Sri Lanka. Sri Lanka is well known for Ayurveda medicine and treatment because of its traditional background and availability of plenty of natural herbs (Arachchi & Kaluarachchi, 2019). Sri Lanka's approach to health and well-being includes Ayurveda. However, the country adheres to a different theology than surrounding countries. Ayurveda has been blended with local traditional knowledge in Sri Lanka. It is also an integral element of the country's culture. This offers every invention based on or inspired by Ayurveda a unique foundation. This is what distinguishes Sri Lankan traditions. Furthermore, a wellness segment has been identified as an essential strategy in the National export strategy for 2018-2022. In order to promote this type of product essential to explore the current challenges faced by the Ayurveda resort operators and identify the opportunities for promoting Ayurveda tourism. However, there is a dearth of literature promoting Ayurvedic tourism during the COVID-19 pandemic. Therefore, this study mainly focuses on; examining the potential to develop Ayurvedic tourism during the COVID-19 pandemic, examining the barriers and challenges to promoting Ayurvedic tourism in Sri Lanka, and analysing the strengths, weaknesses, and opportunities to promote Ayurveda tourism in Sri Lanka.

METHODOLOGY

The main focus of this study is to explore the challenges and the potential to promote Ayurvedic tourism in Sri Lanka during the COVID-19 epidemic. To achieve the study's objective, this research was developed based on constructivism philosophy and an inductive research approach, which involves searching for patterns from observation and developing explanations and theories for those patterns through a series of hypotheses.

To achieve the study's objective, this research requested wide-ranging information and experiences from stakeholders in the Ayurvedic tourism sector. Anyhow the difficulty of quantifying, it is necessary to obtain well-defined stakeholder responses. As a result, qualitative research is the most appropriate strategy for this study. The study population includes all Ayurveda hotel managers and owners in Sri Lanka who operate the hotels under Sri Lanka Tourism Development Authority (SLTDA) registration. According to research objectives, data was collected from Ayurveda hotel managers and owners in the Southern province, as most of the Ayurveda hotels are located in this province. The sample size was selected using a purposive sampling method to achieve the purpose of the study. Accordingly, seven (07) managers/owners of safe and secure certified Ayurveda hotels in the Southern province were selected for data collection. For this study, structured interviews were used to collect the primary data, and secondary data were gathered from research articles, annual reports, and internet resources. The questionnaire consisted of 13 questions relevant to this study. Interviews were done via telephone, and the duration of the interviews was about 20min – 30min. Content analysis was used to analyze data to achieve the objectives of this study. Content analysis is a systematic, replicable technique for compressing many words of text into fewer content categories based on explicit coding rules. It is a widely used analytical method of qualitative research.

RESULTS AND DISCUSSION

Out of the 07 respondents, 06 were managers with more than 05 years of experience in Ayurveda tourism. The primary objective of the study was to identify the challenges of

promoting Ayurveda tourism in Sri Lanka. According to the study's findings, the five significant challenges for promoting Ayurveda tourism were identified as:

1. Less government engagement in promoting Ayurveda Tourism
2. Fraud and illegal activities in some Ayurveda centers
3. Language barriers of the traditional Ayurveda practitioners
4. Insufficient workforce
5. Lack of Ayurvedic medicines.

Similar challenges were found according to research conducted by Khanal and Shimizu (2019) in Nepal Ayurveda tourism, that Poor cooperation and coordination between the health and tourism ministries, a lack of specialized human resources in the health tourism business, and a legal framework for the development of health tourism all limit Nepal's health tourism industry's development. Previous researchers have also identified less workforce in the health and wellness tourism sector. One of the challenges for Ayurveda tourism will be to develop a trained and certified workforce. Khanal and Shimizu (2019) also stated that the lack of a professional workforce for health tourism is a considerable challenge. Furthermore, researchers also have provided evidence for the Lack of medicine for Ayurveda. Extant studies stated that the shortage of herbal drugs, even the quality of the product, will be disabled and adversely affects the Ayurveda sector. Furthermore, researchers have expressed that most herbal medicines are exported to countries like India. Medicinal Plants are mainly exported to India & China and produced medicines imports from India (Khanal & Shimizu, 2019).

The researcher also gathered the hotel managers' views on the potential for promoting Ayurveda tourism in post-COVID Sri Lanka. Accordingly, the following potentials for promoting Ayurveda tourism in Sri Lanka were identified. Having qualified medical practitioners.

1. Having policies to ensure the safety and security of the guests.
2. Having the tendency to consider natural health practices due to Pandemic.
3. Having facilities (hotels/ resorts/ hospitals) for Ayurveda tourism.

Furthermore, the researcher identified strengths, weaknesses, opportunities, and threats to Ayurveda tourism. Having qualified Ayurveda doctors and traditional Ayurveda practitioners, state universities offering degrees for Ayurveda education, Sri Lankan culture and tradition, natural resources, locations, and weather suitable for Ayurveda, Sri Lankan cuisines, and the hospitality of Sri Lankan Ayurveda staff were identified as the strengths for Ayurveda tourism in Sri Lanka. Moreover, less government involvement in promoting Ayurveda tourism, fewer promotional activities for Ayurveda tourism, importing medicines from India, and language barriers of the Ayurveda doctors, were among the identified weakness of Ayurveda tourism in Sri Lanka. Due to the current COVID-19 pandemic situation, most people are engaging with traditional herbal medicines and believing herbal medicines are the best for boosting the immunity system, which is identified as an opportunity by the researcher. Finally, with competition from other countries, India has international production for Ayurveda medicines. Illegal activities were identified as threats to promote Sri Lanka as an Ayurveda destination during the post-COVID-19 pandemic.

CONCLUSIONS AND IMPLICATIONS

Collaborating closely with the Ministry of Tourism should recognize the need to promote Ayurveda tourism. It is also critical that the government develop a clear strategy for promoting

the Ayurveda tourism industry. The Ayurvedic tourism business can also be fostered by enacting specific rules and regulations and certification processes to preserve the quality of services supplied and the Ayurvedic Centers. Furthermore, it is critical to market the Ayurvedic tourist business in Sri Lanka to other countries. While promoting Sri Lankan Ayurvedic tourism in new nations should also be taken to promote Ayurvedic tourism among domestic tourists. It has the potential to earn a prosperous living. Awareness campaigns, for example, can be developed to attract potential customers. Furthermore, researchers suggest that, in addition to stimulating the cultivation and manufacture of Ayurvedic medicines locally and the export of medicines, professionals be provided with facilities to perform Ayurvedic-related research and development.

Keywords: Ayurveda tourism, COVID-19 pandemic, challenges, potentials, tourism industry

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TOURISM AND HOSPITALITY UNDERGRADUATES' PERCEPTION OF CAREER CHOICE IN THE TOURISM INDUSTRY IN SRI LANKA

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INTRODUCTION

The tourism industry, which contributes well to the economies of many countries worldwide, has not been able to reap its full benefits due to the shortage of a knowledgeable and skillful workforce (Richardson, 2008). The tourism industry is becoming more popular among students recently. Also, university graduates and students focus more on tourism careers. However, the question is, even though the number of tourism students is rapidly increasing worldwide, there is still a labour shortage in the industry. Lee Bamford (2012) explained two possible reasons for this matter; one is industry does not value a degree, and the second is those negative perceptions of students about the industry. Many researchers have paid attention to the second reason for decades. Therefore, many studies concluded that the perception/attitude or intention of tourism as students perceive a career as having poor wages, long working hours, low stability, and poor working conditions (Kim et al., 2010).

The tourism industry is key to Sri Lanka's employment generation, contributing 11% to the country's total labour force. However, the annual output of 1500 graduates from the tourism industry is not sufficient to meet the industry standards. Tourism and hospitality students are more critical in this scenario which will be entering the tourism industry workforce in the future. Several studies found that tourism students negatively perceive jobs in the industry (Richardson & Butler, 2012). Here, the question arises about the perception of tourism students of Sri Lanka in this regard. Therefore, this research aims to examine the perceptions of tourism and hospitality undergraduates regarding career choices in the tourism industry in Sri Lanka. The current study examined and seeks to answer research questions through state university tourism and hospitality undergraduate students in Sri Lanka.

Undergraduates' perception of career choice concerning the critical aspects of the nature of the jobs, social status, industry person- congeniality, physical working conditions, and the promotion opportunities in the tourism industry. Accordingly, the specific objectives are;

1. To investigate the effect of undergraduate perceived career choice on the nature of jobs, social status, industry person- congeniality, physical working conditions, and the promotion opportunities in the tourism industry.
2. To determine the most influencing factor for undergraduates to perceive career choice.
3. To investigate whether undergraduates' demographic characteristics affect undergraduate career choices.

The findings of this study will be helpful to tourism and hospitality undergraduate students, tourism planners, scholars, government, and tourism businesses.

METHODOLOGY

The study took the quantitative research approach with a survey design. The study population is all tourism and hospitality undergraduates in Sri Lanka who are currently following tourism and tourism-related degrees in-state universities. A total of 120 undergraduate students were selected as the sample. The sample represents four state universities: the Rajarata University of Sri Lanka, the University of Kelaniya, Sabaragamuwa University of Sri Lanka, and the Uva Wellassa University of Sri Lanka. A structured questionnaire was distributed online to the sample, also known as an online survey. The questionnaire was made up of two sections; one and two. The first section was to obtain personal information about the respondents. The second part was for factors (variables) that affect undergraduates' career selection in the tourism industry with COVID- the 19 pandemics.

Collected data were analyzed using Statistical Package for Social Science (SPSS) software which is used for the statistical treatment of data and to test the proposed hypothesis. This study's data analysis was carried out using primary data and evaluating the responses to the questionnaire.

In the descriptive analysis, numerical and graphical methods are used to organize, demonstrate, and analyze data. Correlation analysis, Regression analysis, Hypothesis testing, and Probability distributions came under inferential statistics.

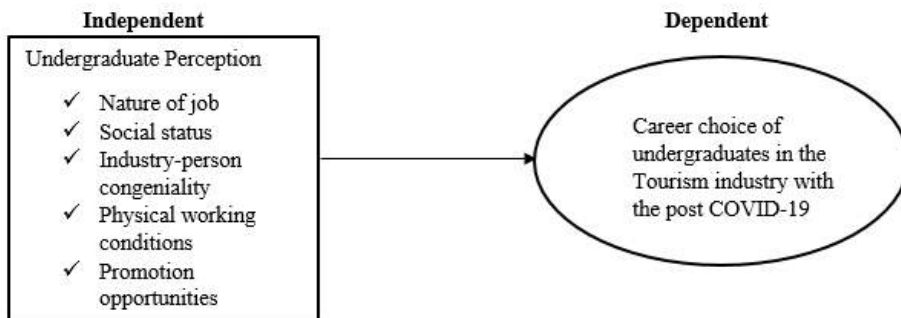


Figure 1 Conceptual Framework

The following hypotheses are formulated based on the literature review and conceptual framework of the study.

H₁: The nature of the job of employment in the tourism industry affect career choice of undergraduates.

H₂: Social status of employment in the tourism industry affect career choice of undergraduates.

H₃: Industry- person congeniality of employment in the tourism industry affect career choice of undergraduates.

H₄: Physical working conditions of employment in the tourism industry affect career choice of undergraduates.

H₅: Promotion opportunities for employment in the tourism industry affect career choice of undergraduates.

RESULTS AND DISCUSSION

Reliability Analysis: Cronbach's Alpha was used to measure the internal reliability of the current study. According to the results, Cronbach's alpha value was 0.811, which indicates a high level of internal reliability or highly acceptable of the questionnaire.

Table 1 Correlation Analysis

	Nature of Jobs	Social Status	Industry Person-Congeniality	Physical Working Conditions	Promotion Opportunities	Career Choice
Nature of Jobs	1					
Social Status	.433*	1				
Industry Person-Congeniality	.377*	.676*	1			
Physical Working Conditions	.514*	.482*	.351**	1		
Promotion Opportunities	.374*	.648*	.693**	.395**	1	
Career Choice	.144*	.542*	.545**	.278**	.556**	1

Accordingly, results of the correlation analysis (Table 1), social status, industry person-congeniality, and promotion opportunities variables had a moderately significant positive relationship with career choice. Physical working conditions have a weak positive association with career choice, while the nature of the job variable has no significant relationship. According to the multiple linear regression analysis, the researcher recognized impact of the nature of the job variable on career choice was a significant negative relationship. Social status, industry person-congeniality, and promotion opportunities are significantly positively associated with the career choice of undergraduates in the tourism industry. However, there was a significant negative relationship between the nature of jobs and career choices. Also, the physical working conditions variable has a positive but insignificant relationship with career choice. Therefore, the physical working conditions of employment in the tourism industry do not affect the career choice of undergraduates. Except for that hypothesis, all other hypotheses of the study were accepted.

CONCLUSIONS AND IMPLICATIONS

The study revealed an adverse effect of the nature of jobs in the tourism industry on the career choice of tourism and hospitality undergraduates. In contrast, the social status, industry person-congeniality, and promotion opportunities had a positive effect on the career choice. However, the study indicated no statistically significant impact of physical working conditions dimensions on undergraduates' career choices in the tourism industry.

Table 2 Multiple Regression Analysis

Variables	β Coefficients	Standard Error	P value
(Constant)	9.041	2.527	
Nature of jobs	-.115	.051	.026
Social status	.234	.104	.027
Industry person congeniality	.168	.062	.008
Physical working conditions	.064	.091	.482
Promotion opportunities	.280	.121	.023

According to the above analysis, among five variables career choice of undergraduates in the tourism industry was highly influenced by the industry person- congeniality factor. Regarding gender, it was found that there was a significant difference between male and female undergraduate students ($p= 0.049$) in their career perceptions. According to the ANOVA test and t-test results, there was a significant difference between academic years ($p= 0.014$) and university ($p= 0.000$) in undergraduate career choice. However, it was examined that there was no statistically significant difference among students' specializing areas ($p= 0.861$) in terms of the career choice of undergraduates. Furthermore, the survey data were only collected from four state universities in Sri Lanka. Therefore the outcomes may not be generalizable to other countries and other universities and institutions of Sri Lanka.

Keywords: Career choice, perception, tourism, tourism undergraduates

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Operations & Total Quality Management

FACTORS AFFECTING MAINTAINING CUSTOMER SATISFACTION IN THE BANKING SECTOR DURING THE COVID-19 PANDEMIC PERIOD IN KANDY DISTRICT

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INTRODUCTION

The study has focused on factors affect maintaining customer satisfaction in the banking sector during the COVID-19 pandemic. Covid-19 is a global pandemic or virus that can be spread through a touching surface that has not been cleaned. In 2019, this coronavirus was found in China for the first time. Moreover, the exact origin of Covid-19 is still investigating by the world. With the COVID-19 outbreak, the country was on lockdown from time to time.

Moreover, people have to do their work by staying at home. Then it becomes a reason to change customer satisfaction in the banking sector. According to the new health protocol, banking activities and systems have changed customer satisfaction. The study assists bank managers in identifying customer satisfaction during the COVID-19 pandemic and factors that affect customer satisfaction during the pandemic. Some Sri Lankan researchers have done similar studies concerning only commercial banks in Sri Lanka. For instance, research has been done concerning both public and private commercial banking sectors in Sri Lanka. Furthermore, another research has been done on the banks of Surat city (Mistry, 2013). However, fewer studies are done concerning the COVID-19 pandemic and customer satisfaction. Though, when it comes to the Sri Lankan context, there are fewer studies on this topic. Therefore, the researcher provided a depth of knowledge and understanding about the factors affecting customer satisfaction in the banking sector during the COVID-19 pandemic.

On the other hand, this study suggests improving customer satisfaction in the banking sector. Therefore, this study is more worthwhile to improve the performance and reputation of the banking industry in Sri Lanka. The researcher's intend to identify the factors that affect maintaining customer satisfaction in the banking sector during the Covid-19 pandemic period in Kandy District, reveal the level of customer satisfaction in the banking sector during the Covid-19 pandemic, and give suggestions to improve customer satisfaction in the banking sector with the Covid-19 pandemic. The study has provided suggestions to improve customer satisfaction in banks. Hence, all the bank managers and employees can enhance their attitudes and adjust work according to suggestions. By recognizing the factors affecting customer satisfaction during the Covid-19 pandemic and understanding what to expect a customer from the bank during a crisis, then managers and employees in the banking sector can improve their performance by fulfilling customers' expectations.

METHODOLOGY

The researcher has used the quantitative approach to conduct this study. The researcher distributed a structured questionnaire among the banking customers. The researcher has developed a conceptual framework for previous studies by including three independent variables and a dependent variable.

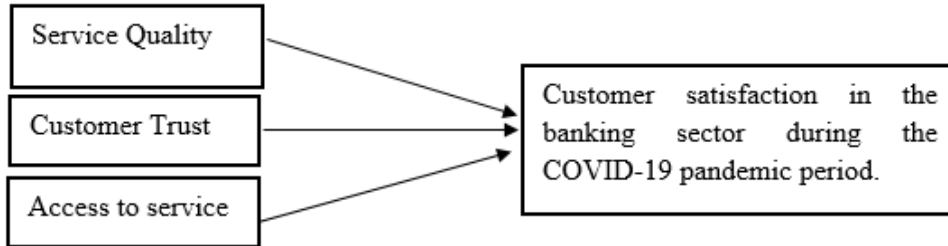


Figure 1 Conceptual Framework

The study has concerned with three alternative hypotheses based on the conceptual framework.

H₁: Service Quality has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.

H₂: Customer Trust has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.

H₃: Access to Service has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.

Since the study was done on banks in the Kandy district, it has taken the target population as all people above the age of 20. The sample size was defined using the Yamane Formula, around 400 under the population of 867,118. However, according to Sekaran and Bougie (2013), the researcher selected 384 customers from the population. The researcher used the Simple Random sampling method under the probability sampling technique for collecting the data. This study has three independent variables and one dependent variable. Hence, the researcher has used the multiple regression method to analyze the relationship between those variables through SPSS software.

RESULTS AND DISCUSSION

The study's dependent variable, "customer satisfaction in the banking sector during the COVID-19 pandemic period," is represented by "TCS." Three independent variables: Service Quality, Customer Trust, & Access to Service, are represented by TSQ, TCT, and TAS, respectively.

Table 1 Correlation of Variables

		TCS	TSQ	TCT	TAS
Pearson Correlation	TCS	1.000			
	TSQ	.872	1.000		
	TCT	.936	.873	1.000	
	TAS	.887	.875	.881	1.000
Sig. (1-tailed)	TCS	.			
	TSQ	.000	.		
	TCT	.000	.000	.	
	TAS	.000	.000	.000	.
N	TCS	384	384	384	384
	TSQ	384	384	384	384
	TCT	384	384	384	384
	TAS	384	384	384	384

According to the correlation table, all the significance values of the dependent and independent variables have less than 0.05 (5%). Thus all relationships are significant at the level of 0.05. This means there are real systematic relationships between the study's dependent and three independent variables. Person correlation between TCS & TSQ, TCS & TCT, and TCS & TAS are 0.872, 0.936, and 0.887 respectively. Hence, those independent variables have strong positive relationships with the dependent variables, according to the SPSS results.

Table 2 Coefficients Table

Model		Unstandardized Coefficients		Standardized Coefficient	t	Sig.	Collinearity Statistics	
		B	Std. Error				Tolerance	VIF
1	(Constant)	.108	.052		2.079	.038		
	TSQ	.138	.037	.140	3.685	.000	.189	5.299
	TCT	.621	.038	.629	16.158	.000	.179	5.583
	TAS	.215	.040	.210	5.369	.000	.176	5.666

Table 3 ANOVA Table

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	493.069	3	164.356	1102.636	.000 ^b
	Residual	56.642	380	.149		
	Total	549.711	383			

The significance value in this ANOVA table is less than 5%, which indicates that the overall model is fit. Here, the significance value is 0.000, which means the overall model is valid at a 95% confidence level.

The overall equation is as followed;

$$\text{Customer Satisfaction in the banking sector during the COVID-19 pandemic period} = \alpha + \beta_1 * \text{Service Quality} + \beta_2 * \text{Customer Trust} + \beta_3 \text{Access to Service}$$

Under the Multiple regression test, the Coefficient table is essential when analysis of the hypothesis. The constant value in this Coefficient table represented the intercept or Alpha value of the overall model. Further, the three variables in the table, TSQ, TAS, and TCT, represented the values in the equation. According to the coefficient table, the developed model can be shown as follow;

$$\begin{aligned} \text{Customer Satisfaction in the banking sector during the COVID-19 pandemic period} &= 0.108 + \\ & (0.138 * 6) + (0.621 * 6) + (0.215 * 6) \\ &= 0.108 + 0.828 + 3.726 + 1.29 \\ &= \underline{5.952} \end{aligned}$$

As per the SPSS results, the significance values of TSQ, TCT, & TAS were 0.000. Therefore, all the independent variables in the study followed the value to accept the hypothesis.

Rule: Sig. Value < 0.05, 0.00 < 0.05

According to the SPSS results, H₁, H₂, and H₃ have been supported and there are relationships between all three independent variables with dependent variable.

Table 4 Hypothesis Testing

Hypothesis	Accepted/ Rejected
H ₁ : Service Quality has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.	Accepted
H ₂ : Customer Trust has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.	Accepted
H ₃ : Access to Service has a significant impact on Customer Satisfaction in the banking sector during the COVID-19 pandemic period.	Accepted

CONCLUSIONS AND IMPLICATIONS

The researcher intended to determine the level of customer satisfaction in the banking sector during the COVID-19 pandemic period and the factors that affected customer satisfaction within the banks during the pandemic. According to the collected data through questionnaires, the SPSS results show that customer satisfaction during COVID-19 has decreased due to the bank restrictions and the practices applied for this period. Customers have changed their opinions, habits, and behavior regarding buying and consumption during the COVID-19 era (Ltifı & Hichri, 2022). This literature has shown that customers are dissatisfied and have changed their behavior due to the pandemic. Further, the researcher has found that several factors have positively impacted customer satisfaction in the banking industry, which are accepted through the developed hypothesis in Table 4. Service Quality, access to service, and customer trust significantly impact customer satisfaction during the pandemic period. All the dimensions of Service Quality positively impact customer satisfaction in the banking sector

during the COVID-19 era (Nautwima & Asa, 2022). During the pandemic period, customer satisfaction decreased due to the failure of access to service. Bankers can access banking services through mobile banking instead of conventional banking or physical bank locations to satisfy the customers (Rumiyati & Syafarudin, 2021). Rahmatika (2022) also proved that service quality and trust directly affected customer satisfaction during this period (Rahmatika, 2022).

Throughout the responses that the customers received, the researcher collected some suggestions to enhance customer satisfaction in the banks during the pandemic. When considering those suggestions, it can be found that many of them suggest improving online banking facilities, a touchless system in the ATMs, adjusting new health protection equipment and technology in the world, etc. From the research results, the researcher shifts to mobile banking due to the COVID-19 pandemic. Mobile banking helps to maintain peoples' safety, and it has become the primary source in this COVID-19 pandemic period (Abdus Salam et al., 2021). This research does not represent all the customers in Sri Lanka, and the study focused on a small sample size and limited geographical area. Hence, future research can focus those factors on expanding the knowledge. The study showed that all bankers should prioritize their customers and give more attention to Service Quality, Access to Service, and Customer Trust to win customer satisfaction and retain them further.

Keywords: COVID-19 pandemic, customer satisfaction, service quality

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FACTORS INFLUENCING ON THE USAGE OF AUTOMATED SELF-PERSONAL BANKING SERVICES IN THE RATNAPURA DISTRICT OF SRI LANKA

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INTRODUCTION

Technological advances in telecommunications and information technology are revolutionizing the banking industry. Nowadays, Automated Self-Personal Banking Services (ASPBS) play a significant role in the Sri Lankan banking industry. The development of Automated Teller Machine (ATM) and Cash Deposit Machine (CDM) services in the Sri Lankan banking industry has triggered a significant revolution. The overcrowded cash counters were reduced, the workload of cash distributors was reduced, standing up in a long line for withdrawals was lost, consumers saved their time unnecessarily spent in bank queues, and cash withdrawals were possible on holidays (Jubair, 2014). ASPBS offers a wide range of services, such as cardless transactions, cash deposits, balance inquiries, person-to-person payments, and cheque cashing. ATMs offer airline tickets and movie tickets in some countries. According to Nethanathan and Shanmugathas (2018), there are sufficient ATMs and CDMs installed by the banks, but still, customers are using cash counters for a small number of withdrawals/deposits. Overall, except for ATMs, the adoption of IT-driven banking services is comparatively low in Sri Lanka.

Larkotey (2012) found out that some of the behaviours of respondents that affected their use of ATMs were the fact that they felt confident using e-banking methods to access money, the preference for human contact, their safety concerns, the fear of losing their cards, the belief that the ATM will not work, the fact that they do not like things that are automated or computerized, the level of comfort they find using technology as well as the ability for them to try new things. This study aims to address a literature gap by identifying technology characteristics and demographic factors relating to the usage of ATMs and CDM as well. As no known study has looked at the influencing factors to the usage of ATMs and CDM in the Ratnapura district. Therefore, to fill this gap and add to an existing body of knowledge, the researcher examines whether factors influence the usage of ASPBS in the Ratnapura district.

METHODOLOGY

This research mainly consists of five variables, namely Perceived Usefulness, Perceived Ease to use, Perceived Risk, Security, and Reliability in influencing the usage of ASPBS in the Ratnapura district. Samples of the ASPBS users are selected by convenience sampling technique. As a sample, two hundred ASPBS users were selected from four leading commercial banks in the Ratnapura district. Including two state banks and three private banks. Selected state banks are the Bank of Ceylon and Peoples Bank, and selected private banks are Commercial Bank, Hatton National Bank, and Sampath Bank. The first part of the

questionnaire collects general information about the automated self-personal banking service users, and the second part is about the factors influencing the usage level of automated self-personal banking services. This five-point scale was used to measure the variables in the scale consisting of five boxes ranging from strongly disagree to agree strongly. Univariate and bivariate analyses were used to determine the relationship. This study used multivariate analysis to measure the impact of Perceived Usefulness, Perceived Ease of Use, Perceived Risk, Security, and Reliability on the level of automated self-personal banking services usage. Under multivariate analyses, this study deploys multiple linear regression, and data were analyzed using IBM SPSS 22.0.

RESULTS AND DISCUSSION

The instrument's validity and internal consistency reliability were ensured by the conceptualization and operationalization of the variables based on literature and indirectly by the high internal consistency of the instruments, as denoted by alphas (Table 1).

Table 1 Reliability Test

Measure	Cronbach Alpha
Perceived Usefulness	0.785
Perceived Ease to Use	0.809
Perceived Risk	0.721
Security	0.769
Reliability	0.833
Usage of ASPBS	0.837

The number of male respondents (72.5%) is more significant than female respondents (27.5%) in the sample. Most respondents (50%) were from 25-34 age range, and 39.5 % of the sample had completed a territory education qualification, whereas 36.5% had completed the GCE (A/L). Moreover, 64.5% of the respondents have a monthly income between Rs. 30000-50000, and 12% of them earn Rs. 50000-80000 monthly. Table 2 shows the frequency of use distribution of the sample size of 200 automated self-personal banking services users in the Ratnapura district.

Table 2 Frequency Distribution of Frequency of Use

Frequency of use	Frequency	Percentage%
Daily	31	15.5
Weekly	44	22
Two Weekly	92	46
Monthly	33	16.5
Total	200	100

According to Table 2, four frequency levels have been considered. Thirty-one respondents are in the daily category, and 15.5% of the total respondents 44 respondents are in the weekly category, which is 22% of the total respondents. Ninety-two responders are from two weekly

categories, and it is 46% of the total respondents. Thirty-three respondents are monthly category and represent 16.5% of total respondents.

Table 3 Correlation between each independent variable and level of usage of ASPBS.

Variables	Perceived Usefulness	Perceived Ease to Use	Perceived Risk	Security	Reliability
UASPBS Pearson	.747**	.819**	-.697**	.765**	.803**
Correlation Sig. (2- tailed)	.000	.000	.000	.000	.000

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

The correlation (bivariate) analysis (Table 3) is initially carried out to explore the linear relationship between Perceived Usefulness, Perceived Ease of Use, Perceived Risk, Security, and Reliability, with the level of automated self-personal banking services usage in Ratnapura District if it exists. The significance is at 0.01 levels (2-tailed) is 0.000, and Pearson Correlation (r) is 0.747. It is found as a significant and robust positive relationship between Perceived Usefulness and the level of ASPBS usage. Based on the evidence, it is concluded that Perceived Usefulness positively affects the level of ASPBS usage. The significance is at 0.01 levels (2-tailed) is 0.000, and Pearson Correlation (r) is 0.819. It is found as a significant and strong positive relationship between Perceived Ease to Use 46 and the level of ASPBS usage. Based on the evidence, it is concluded that Perceived Ease of Use positively affects the level of ASPBS usage. The significance is at 0.01 levels (2-tailed) is 0.000, and Pearson Correlation (r) is -0.697. It is found as a significant and strong negative relationship between Perceived Risk and the level of ASPBS usage. Based on the evidence, it is concluded that Perceived Risk negatively affects the level of ASPBS usage. The significance is at 0.01 levels (2-tailed) is 0.000, and Pearson Correlation (r) is 0.765. It is found as a significant and strong positive relationship between Security and the level of ASPBS usage. Based on the evidence, it is concluded that Security positively affects the level of ASPBS usage. The significance is at 0.01 levels (2-tailed) is 0.000, and Pearson Correlation (r) is 0.803. It is found as a significant and strong positive relationship between Reliability and level of ASPBS usage. Based on the evidence, it is concluded that Reliability positively affects the level of ASPBS usage.

Table 4 Coefficients of Regression Model

Model	Unstandardized Coefficients		Standardize d Coefficients	t	Sig.
	B	Std. Error			
(Constant)	.689	.364		1.891	0.60
Perceived Usefulness	.222	.060	.198	3.682	.000
Perceive Ease to Use	.187	.080	.183	2.340	.020
Perceived Risk	-.245	.071	-.166	-3.450	.001
Security	.239	.077	.178	3.089	.000
Reliability	.292	.070	.282	4.163	.000

a. Dependent Variable usage of automated self-personal banking services

The regression result (Table 4) indicates that the sign p-value of Perceived Usefulness is 0.000, which is less than 0.05 ($p < 0.05$), and the β value of Perceive Usefulness is 0.222, which means

the Perceived Usefulness positively and significantly impacts on usage of ASPBS. The significance of the p-value for Perceived Ease to Use is 0.020, less than 0.05 ($p < 0.05$), and the β value is 0.183, which means the financial attitude positively and significantly impacts the usage of ASPBS. The significance of the p-value for Perceived Risk is 0.001. It is less than 0.05 ($p < 0.05$), and the β value is -0.166, which means the financial attitude negatively and significantly impacts on usage of ASPBS. The significance of the p-value for Security is 0.000. It is less than 0.05 ($p < 0.05$), and the β value is 0.178, which means the financial attitude positively and significantly impacts on usage of ASPBS. The significance of the p-value for Reliability to use is 0.000. It is less than 0.05 ($p < 0.05$), and the β value is 0.282, which means the financial attitude positively and significantly impacts on usage of ASPBS.

Based on the analysis, it is concluded that the Perceive Usefulness, Perceive Ease to Use, Perceived Risk, Security, and Reliability significantly impact the usage of ASPBS. According to the coefficient result, the regression model can be expressed as follows;

$$UASPBS = 0.689 + 0.187 (PU) + -0.245 (PEU) + 0 (PR) + 0.239 (S) + 0.292(R) + e$$

CONCLUSIONS AND IMPLICATIONS

The researcher's primary aim was to determine the factors influencing the usage of ASPBS in the Ratnapura district. To achieve the objectives, the researcher mainly used correlation analysis and regression analysis to explain the demographic information and research information for achieving the research objective.

Based on the results of Correlation analysis, Perceive Usefulness, Perceive Ease of Use, Security, and Reliability have a strong positive relationship with the ASPBS. In addition, Perceived Risk has a strong negative relationship with using ASPBS. Therefore, it can be concluded that there is a significant relationship between Perceive Usefulness, Perceive Ease to Use, Perceive Ease of Use Security, Reliability, and usage of ASPBS. In addition, bankers want to consider minimizing the Perceived Risk of their services because it also affects the increase in usage of ASPBS. Based on the regression analysis outcomes, it can be concluded that there is a significant impact of Perceive Usefulness, Perceive Ease of Use, Perceived risk, Security, and Reliability on the usage of ASPBS in the Ratnapura district. According to the beta coefficient value, the most influencing factors are financial knowledge and financial attitude. Therefore, when considering the regression model, when Perceive Usefulness, Perceive Ease to Use, Security, and Reliability increase by one unit, usage of ASPBS increases by 0.222, 0.187, 0.239, 0.292 units, respectively. In addition, perceived risk decreases by one unit usage of ASPBS increases by 0.245 units. Those factors highly influence unit usage of ASPBS. Therefore, the bankers want to consider those factors to increase the usage of ASPBS. Because, after a good understanding of influencing factors, they can use it to increase the usage of ASPBS. In addition, it can improve customer satisfaction with their banking services. The study only includes three factors: perceived usefulness, Perceived ease to use, Perceived risk, Security, and Reliability. This study recommends that future studies test other factors, such as social influence. Moreover, the study only covered automated self-personal banking service users in the Ratnapura district. Therefore, the future scope can be expanded beyond the research area, including all districts in Sri Lanka. It will be practical and valuable.

Keywords: Perceived risk, security and reliability, TAM

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