Research Paper Presentation 2018

4th September, 2018
Colombo, Sri Lanka.

Contents

THE INSTITUTE OF
CERTIFIED PROFESSIONAL MANAGERS OF SRI LANKA

The Institute of Certified Professional Managers of Sri Lanka (CPM) was formed to provide a professional qualification and designation in management, by conducting educational programmes, providing practical training in private and public sector entities and establishing a link between the private and public sectors for the advancement of professional managers.

CPM is a joint project initiated by CMA Sri Lanka and All India Management Association (AIMA). It is an active member of the Association of Management Development Institutions in South Asia (AMDISA).

Membership in CPM is open to individuals seeking to develop their professional skills and pursue management careers in industrial, business, service sectors or the public sector.

ASSOCIATION OF
MANAGEMENT DEVELOPMENT INSTITUTIONS IN SOUTH ASIA (AMDISA)

AMDISA, a SAARC "Recognized Body", was chartered in 1988 as a network of Management Education and Management Development Institutions in South Asia, with generous support from the Commonwealth Secretariat, and active involvement of leading Management Schools in the region. Most important purpose of AMDISA is to help ensure continuous improvement in quality of management education and management development. In less than two decades, AMDISA has emerged as a vibrant association, and has performed a synergistic role which would be difficult to accomplish by an individual institution in the region.

AMDISA, as of June 2017, has a membership of about 254 leading Management Institutions in the region. These include institutional members such as Management and Business Schools, promoted by public agencies and private sector, imparting MBA and related Post Graduate qualifications, Management Development Institutions imparting executive education, and corporate members. AMDISA has also reciprocal membership with several management development associations in other parts of the world.

ABOUT CONFERENCE

DELIVERING *Winnovative* **BUSINESS STRATEGIES:** The Quest for Managerial Excellence

The tasks of crafting and executing strategy are core management functions. The excellence in the delivering of an "winnovative' (winning+innovation) strategy is the most acceptable formula for turning an organization into a standout performance over a sustainable period. Crafting winnovative strategies is broadly a market-driven or/and resource-driven exercise revolving around the key application of managerial excellence. This conference aims at exploring and extracting the successful insights and foresights on the above theme based on local and regional best practices.

CORE THEMES

The core themes will be grouped under the following headings;

Session 1 - Making Institutional Strategy and Business Model Winning
Whether an organization is a single or a diversified business enterprise, the strategy making task or building a business model is complicated activity. Getting the right people, strengthening the institution's resources, and strategy execution-led structuring are the core components in making the strategy/business model winning.

Session 2 - Achieving Managerial Excellence through Innovative Practices
Achieving managerial excellence depends on a well-knit job of working with and through others. This has amply proved successful when innovative practices are in place, and gets the organization to execute it. It is a distinct challenge to drive the organization to act on the new priorities as per the intended strategies, as it is a lot easier to craft a strategy than it is to execute and achieve desired outcomes.

Session 3 - Strategy Development & Execution: Challenges and Success Stories
It is worthwhile to explore what challenges have faced by the institutions and how they have successfully overcome such scenarios in the context of strategy development and execution. Different functions of a business strategy development may need to be integrated into a successful execution plan, and there are numerous interpretations on how to overcome potential challenges.

Session 4 - Delivering Results: Leading, Managing, Governance and Society
Instilling discipline to get things done or to deliver results is predominantly based on a set of multiple factors. Herein, we explore leading, managing, governance and societal dimensions in our endeavour to deliver results. Amongst the other factors, those that are critical for a good strategy execution towards achieving results are, setting the leadership right; building managerial capability; installing an appropriate governance structure; and the nexus with society at large.

Message from the President of AMDISA
Mr. Abdul Rahman Mubaarique
Dean of MNU Business School
The Maldives National University, Maldives

As the incumbent President of the Association of Management Development Institutions in South Asia (AMDISA), I am pleased to send this congratulatory message to the Institute of Certified Professional Managers of Sri Lanka (CPM Sri Lanka) on the occasion of the CPM Regional Management Conference 2018 which will take place in Colombo on 04th & 05th September 2018.

AMDISA has grown into a potent and valuable contributor in the realm of management development with 262 members from South Asia. The establishment and institutionalization of the 'South Asian Quality Assurance System (SAQS)' is a hallmark of this commitment to create awareness among Business Schools in South Asia on the need to bench mark with the best business schools in the world and seek global accreditation.

AMDISA consists of Management Institutions and Business Schools in the South Asian Region and the Forum will be represented by members from India, Pakistan, Bangladesh, Sri Lanka, Nepal, Maldives and Bhutan.

I am pleased that AMDISA has partnered with CPM Sri Lanka to organize a conference on the theme "**Delivering W*innovative* Business Strategies: The Quest for Managerial Excellence**" which is appropriate within the present context of fundamental changes occurring in the business environment.

The partnering of two prominent institutes will enrich the Management Profession effectively with the sharing of knowledge. The conference has the outstanding sessions that will provide the participants with a unique opportunity to expand professional horizons in a robust Management environment.

This conference is strengthening the mission of Association of Management Development Institutions in South Asia (AMDISA – a SAARC recognized body) to promote management excellence in South Asia by networking management development institutions and facilitating their partnership with corporate enterprises and public agencies in the region.

I extend my warm greetings and felicitations to all those associated with the Conference and wish a great success.

Message from the President of CPM Sri Lanka and Immediate Past President of AMDISA
Prof. Lakshman R. Watawala
President of CPM Sri Lanka and
Immediate Past President of AMDISA

We are pleased to conduct the CPM Regional Management Conference 2018 in collaboration with the Association of Management Development Institutions in South Asia (AMDISA) to coincide with the AMDISA Board Meeting in Sri Lanka.

AMDISA is the only Association which networks with management development institutions across the eight South Asian Nations through exchanging information, facilitating inter-country research initiatives, conducting regional conferences, workshops, colloquia and programmes, and thereby providing a forum for interaction among academics and business leaders which includes Management Institutes and Business Schools of all the SAARC Countries including its members from India, Pakistan, Bangladesh, Sri Lanka, Maldives, Nepal and Bhutan. Also present will be the Board Directors and Past Directors of AMDISA and I wish to warmly welcome them.

The theme of the conference is **"Delivering Winnovative Business Strategies: The Quest for Managerial Excellence".**

The conference will be inaugurated on the 04th September 2018 at the Kingsbury Hotel, Colombo. The Chief Guest will be Hon. Karu Jayasuriya, Speaker of the Parliament of Sri Lanka and Keynote address will be delivered by Dr. Ravi Fernando, Executive in Residence, INSEAD Business School (Social Innovation Centre), France on the topic "Embedding Sustainability and Embracing New Technology". The inauguration will be enlightened with distinguished speakers from the Leading Management Schools in South Asia including the President of AMDISA, Vice President AMDISA and Director Indian Institute of Management Bangalore.

I also wish to congratulate the recipients of the "CPM Management Leadership Awards 2018" for having made a significant contribution to Management Development, Practices and Leadership roles with success in the fields of Academic, Government, Business, Industry, IT, Commerce, Society and Sports.

The Technical Sessions will be held on 05th September 2018 and will consist of Four Sessions. The technical sessions will be on the topics of "Making Institutional Strategy and Business Model Winning", "Achieving Managerial Excellence through Innovative Practices" and "Strategy Development & Execution: Challenges and Success Stories" and "Delivering Results: Leading, Managing, Governance and Society".

I wish to thank all our Session Chairmen, Speakers & Panelists for their valuable contribution towards the success of the technical sessions and the panel discussion.

Quite a lot of commitment and hard work has gone into the organising this conference and I must thank the Conference Committee, Head of Technical Committee, Head of Concurrent Session, Assistant Director CPM and his staff, Sponsors, Media, Executive Director of AMDISA and his Secretariat, Review Panel Research Papers, Research Paper Presenters and all others who have contributed in no small measure to make this event a success.

I have special greetings to our foreign delegates and invite them to experience the beauty of Sri Lanka and the traditional Sri Lankan hospitality.

I am confident that that all the participants will benefit immensely from the conference and take back with them happy memories of this event.

RESEARCH PAPER PRESENTATION PROCESS

The Research Paper presentation session was held on 4th September 2018 from 13.00 – 18.00, prior to the CPM Regional Management Conference (CRMC) 2018 inauguration session.

The concurrent session was headed by Mr. Vijayapala Sinnathamby with presentation of papers from academics in universities across the region who had prepared research papers and articles which have been evaluated by a scientific and evaluation panel and to be subsequently published after the initial deliberations. This was a truly value addition to the subject discussed by selecting best 20 foreign and local authors. In a broad sense, the conference aimed to bring together management experts, scholars, practicing managers, business leaders, policy administers and academics from other countries of South Asia on a platform to discuss various connected issues and share their research findings.

The following schedule was planned by the Conference Organizing Committee for the successful delivery of the Research Paper Forum.

- Declare the Conference tracks   May 2018
- Formation of Scientific Panel   June 2018
- Call for Abstract   June 2018
- Submission of Abstract/Abstract received acknowledgment   July 2018
- Abstract Review process   August 2018
- Notification of Abstract accepted/Invitation for Conference registration   August 2018
- Research Paper Presentation (Book of Abstract printed)   September 2018
- Submission of full paper/menu script   October 2018
- Full paper/menu script review (blind fold peer review) process   November 2018
- Publication of Full paper/menu script Conference Proceedings   December 2018
- Full paper publication/Menu script uploaded in the web   June 2019

We have called the abstracts two months prior to the conference and received enough number of abstracts for the review process from the various countries on our CRMC 2018 thematic area/s. We have formed the resource panel for the review process from the academics and practitioners to lead the conference proceedings.

The following calibers rendered their service to the Scientific Evaluation Committee:

1. **Dr. Nirmal De Silva**
   Co-Founder/CEO, Paramount Realty & Founder TYNA Consulting

2. **Dr. Sumudu Perera**
   Senior Lecturer, Department of Business Economics, Faculty of Management Studies & Commerce, University of Sri Jayewardenepura

3. **Dr. Dinesha Siriwardhane**
   Head, Department of Business Economics, Faculty of Management Studies & Commerce, University of Sri Jayewardenepura

4. **Dr. Damayanthi Bamunusinghe**
   Senior Lecturer, Department of Economics, Faculty of Humanities and Social Sciences, University of Sri Jayewardenepura

5. **Prof. Nalin Abeysekera**
   Senior Lecturer, Department of Management Studies, Faculty of Humanities and Social Sciences, Open University of Sri Lanka

6. **Ms. Kumuthinidevi Shanthakumar**
   Dean, Faculty of Communication and Business Studies, Trincomalee Campus Eastern University of Sri Lanka

7. **Ms. Subathini Priyadharsan**
   Head, Department of Business and Management Studies, Faculty of Communication and Business Studies, Trincomalee Campus, Eastern University of Sri Lanka

8. **Dr. Ruwan Ranasinghe**
   Head, Department of Management Sciences, Faculty of Management Uva Wellassa University, Badulla

9. **Dr. Nagendrakumar Nagalingam**
   Head, Education & Training Institute of Chartered Accountants of Sri Lanka

10. **Mr. Sinnathamby Vijayapala,** Head of the Scientific Evaluation Committee
    Management Consultant/ Senior Visiting Academic/ Trainer

Based on the double blind fold review process, the following Abstracts were selected from the 50+ submissions from multi-disciplines. The detail version of the abstracts was published on the 'Book of Abstract" on the conference day.

Author/s Name	Designation, Organization & Address	Country	Paper Title
1Nazrul Islam, 2Mohitul Ameen Ahmed Mustafi, 3Amitava Bose Bapi, 4Abid Aziz	School of Business, Uttara University, Dhaka, Bangladesh	Bangladesh	Critical Factors for the Development of Women Entrepreneurship in Retail Business of Bangladesh
1Yadav Devi Prasad Behera, 2Dr. Saroj Kumar Sahoo, 3Madhusmita Pati	Dept. of Business Administration, Sambalpur University, Odisha	India	Risk Absorption: A strategic tool for investors' propensity to invest
1Ritika Gupta, 2Saroj Kumar Sahoo, 3Tushar Sahoo	Dept. of Business Administration, Sambalpur University, Odisha	India	Acceleration of sales employee performance grounds on boss-subordinate relationship
A L M A Shameem	Senior Lecturer, South Eastern University of Sri Lanka	Sri Lanka	The Factors Influencing on Sri Lankan Muslim Consumers Behaviors towards the Selection of Banks: A Case Study Approach
1Madhusmita Pati, 2Dr. Saroj Kumar Sahoo, 3Yadav Devi Prasad Behera	Dept. of Business Administration, Sambalpur University, Odisha	India	Managing Cognitive Dissonance: An effective way of addressing satisfaction dynamics in life insurance industry
1Tushar Sahoo, 2Dr. Saroj Kumar Sahoo, 3Ritika Gupta	Dept. of Business Administration, Sambalpur University, Odisha	India	Differential customer satisfaction: The central building-block of customer retention
1P.Pretheeba, 2N.Pratheesh	Eastern University of Sri Lanka	Sri Lanka	Green Technology in Sri Lankan Agriculture Sector an Overview
Malinka Jayasekera	The Imperial Institute of Higher Education (Affiliated to the University of Wales)	Sri Lanka	Effect of Experiential Marketing on Post Purchase Intention in the Fine Dining Restaurant Industry in Western Province, Sri Lanka
1Prassanna Pathmanathan, 2Nadeeja Dodamgoda	The Imperial Institute of Higher Education (Affiliated to the University of Wales)	Sri Lanka	The Impact of Personal Characteristics on Personal Branding in Reflection to the Employability
MM Mohamed Muzamil	Amana Bank PLC	Sri Lanka	The Impact of Information Technology on Organizational Performance through Human Capital Development Factors (Based on service sector (Banking) organization in Sri Lanka)
1Dr. K. V. RAMESH 2PROF. R. K. MISHRA	INSTITUTE OF PUBLIC ENTERPRISE, HYDERABAD	India	A critical analysis of NPA management in Indian banking industry: A case study of select banks
1Dr. Saroj Kumar Sahoo, 2Prof. Biswajeet Satapathy 3Mrs. Sandhyarani Sahoo	Dept. of Business Administration, Sambalpur University, Odisha	India	Shoppers' purchase intention: The suitable result of learning with the mediating role of attitude Shoppers' Learning leads to Purchase Intention with the Mediation of Purchase Attitude in the organized retailing context
1Nandakumar Mekoth, 2Narayana Reddy, 3Babu Thomas	Department of Management Studies, Goa University	India	What drives satisfaction of two wheeler customers? Survey based evidences from India
Ganesha Somayaji	Department of Management Studies, Goa University	India	Voluntarism, social mobilization, and women empowerment: micro finance and rural social transformation in Western India.

The above paper presenters were invited to the presentation panel to present their summary findings on 4th September

2018. The presentation topics were divided in to 4 sessions based on our conference theme, and the following panel was deployed to evaluate the presentation.

Head of Concurrent Sessions: Mr. Sinnathamby Vijayapala, CRMC 2018			
Session	Time	Session Chair	Panelist
Session 1	13.00 – 15.00	Dr. Nirmal De Silva	Ms. Subathini Priyadharsan
Session 2	15.30 – 17.30	Dr. Damayanthi Bamunusinghe	Ms. Kumuthinidevi Shanthakumar
Session 3	13.00 – 15.00	Ms. Kumuthinidevi Shanthakumar	Dr. Damayanthi Bamunusinghe
Session 4	15.30 – 17.30	Dr. Sumudu Perera	Dr. Nirmal De Silva

Based on the pre-defined selection criteria of selecting best presenters of the session, the panel has selected the 'Highly commendable Presenter' from each session. The standard criterion was checked in multiple angles; such as Scientific Content 40%, Clarity of Presentation 20%, Appropriate Audio Visual Aids 20%, Ability to Handle Questions 10%, Timing 10%, and Total Marks 100%. The following Presenters received the Highly Commendable Presenter Awards at the Conference Inauguration and Awarding ceremony. The awards were handed over by the Chief Guest, the Speaker of the Parliament of Sri Lanka and Patron of CPM, Hon. Karu Jayasuriya.

Session	Name of the Presenter	Organization	Country	Title of the Research Paper
Session 01	Prassanna Pathmanathan	The Imperial Institute of Higher Education (Affiliated to the University of Wales)	Sri Lanka	The Impact of Personal Characteristics on Personal Branding in Reflection to the Employability
Session 02	Dr. Saroj Kumar Sahoo	Dept. of Business Administration, Sambalpur University, Odisha	India	Risk Absorption: A strategic tool for investors' propensity to invest
Session 03	MM Mohamed Muzamil	Amana Bank PLC	Sri Lanka	The Impact of Information Technology on Organizational Performance through Human Capital Development Factors (Based on service sector (Banking) organization in Sri Lanka)
Session 04	Dr. K. V. Ramesh	Institute of Public Enterprise, Hyderabad	India	A critical analysis of NPA management in Indian banking industry: A case study of select banks

The successful presenters were requested to submit the full paper in 3 moths time period. We received 7 full papers and it reviewed by two reviewers by double blind fold review process. The following panel supported for the full paper review process. Once the review completed by the panel, it was forwarded to the respective authors to edit their research papers by considering the comments given by the review panel.

Title of the Research Paper	Formal Reviewer
01. Critical Factors for the Development of Women Entrepreneurship in Retail Business of Bangladesh	Dr. Sumudu Perera
02. Investors' Risk Absorption: A strategic tool for investors' propensity to invest	Ms. Kumuthinidevi Shanthakumar
03. Deferential customer satisfaction: The central building-block of customer retention	Prof. Nalin Abeysekera
04. Effect of experiential marketing on post purchase intention in the fine dining restaurant industry in western province, Sri Lanka.	Dr. Ruwan Ranasinghe
05. The Impact of Personal Characteristics on Personal Branding in Reflection to the Employability. A comparative study between IT graduates passing out from the state and private sector universities in Sri Lanka.	Ms. Subathini Priyadharsan
06. The Impact of Information Technology on Organizational Performance through Human Capital Development Factors Based on service sector (Banking) organization in Sri Lanka	Dr. Damayanthi Bamunusinghe
07. A critical analysis of NPA management in Indian banking industry: A case study of select banks	Dr. Nirmal De Silva

We have given another one month period for the editing and fine tuning of the research paper. Few authors took an extra time to produce the qualitative research paper. Finally, we have received only 6 full papers out of 7 successful presenters and finally published now.

Thanking you,

SINNATHAMBY VIJAYAPALA
Head of Concurrent Sessions, CRMC 2018
Management Consultant/Senior Visiting Academic/ Corporate Trainer

Critical Factors for the Development of Women Entrepreneurship in Retail Business of Bangladesh

Nazrul Islam, Mohitul Ameen Ahmed Mustafi, Amitava Bose Bapi, Abid Aziz
School of Business, Uttara University, Dhaka, Bangladesh, Email: nazrulku@gmail.com; mustafi559@gmail.com; amitav.bapi@gmail.com; fmac911@hotmail.com

Abstract
Development of women entrepreneurship in the SME sector has a crucial importance in a developing country like Bangladesh where women constitute half of the total population. The majority of them are underprivileged, under nourished, illiterate and poor. Hence, the development of women entrepreneurship has tremendous potentials for transforming the society through socioeconomic empowerment of the women. This potential is remained untapped in Bangladesh because of lower number of women entrepreneurs in business and economic activities. According to the Bangladesh Economic Review 2009, around six percent of the country's $90 billion economy comes from SMEs, which is also the largest sector in terms of employment generation. But the women entrepreneurs are less than ten percent of the total entrepreneurs of the country. However, in the recent years, women entrepreneurship in small retail businesses of the country has been increasing which is a good sign for the positive growth of the economy. Therefore, for the development of women entrepreneurship in retail business sector of Bangladesh, identification of critical factors is highly important. These factors can be classified into three types such as, regulative, normative, and cognitive factors. This paper aims at identifying the critical factors related to the development of women entrepreneurship in the retail business sector of Bangladesh. For identifying the factors, 218 women entrepreneurs of retail businesses were interviewed with a structured questionnaire. Both descriptive and inferential statistics were used in this study. Structural Equation Modeling (SEM) was used to identify the relationships between the critical factors and the overall development of women entrepreneurship in the retail business of Bangladesh. The results show that for the development of retail business women entrepreneurs, regulative, normative and cognitive factors are important. Regulative factors such as rules and regulations of the Government and its implementation are critical significant factors for the development of retail business women entrepreneurs in Bangladesh. This study suggests that the government and the policy making organizations should come forward to overcome of normative and cognitive barriers of the women entrepreneurship in the retail business of Bangladesh.

Keywords: Regulative Factors, Normative Factors, Cognitive Factors, Retail Business, Entrepreneurship, Socioeconomic Empowerment.

1. Background

Women entrepreneurship is very critical for any economy of the world. Women can contribute much more than men if they are provided with supports and equal resources. Food and Agricultural Organization (FAO) of the UN calculated that if women farmers, which is 43% of the agricultural labor force, in developing countries had the same access as men, agricultural output in 34 developing countries would rise by an expected average of up to 4%, which could reduce the number of undernourished people in those countries by as much as 17%, reducing approximately 150 million hungry people of the world. Women entrepreneurs possess many innate traits that can put them ahead in running a business successfully. Some of the traits are aptitude for learning, towering integrity, innate ability to build relationship, superb sense of ownership, higher adaptability, and lack for Human Resource Management. But women still are a minority of all entrepreneurs and face gender based discrimination to start, run and grow a business. Hence, women entrepreneurship can enhance women empowerment, improve economic well-being of the family and society and alienate poverty.

Bangladesh as a developing country of the world, women participation in business is a must for the emancipation of the economic status of the country. Although, Bangladesh has improved significantly in its economic order, educational development, social changes, and living standards, women entrepreneurs are not developed like men entrepreneurs. However, in recent years, a noticeable advancement is observed in women's increased participation in job and small entrepreneurial; businesses. Women bravely are overcoming the challenges posed by social systems to venture into small entrepreneurship, both in the urban and rural areas. The business activities differ but the performance is commendable against the social and cultural restrictions for women in Bangladesh, including the tremendous odds surrounding the socioeconomic order.

Study shows that most of the women entrepreneurs in Bangladesh do not have proper knowledge of establishing a start up and running a business (Habibullah, 1987). It also found that training can play an important role for women entrepreneurship development in Bangladesh. Finance is one of the most critical and important factor for starting a business in Bangladesh where women are lag behind. Bank is an important source of capital where women have limited access. But many of the entrepreneurs do not know how to write a project proposal to a bank for loan and how a bank evaluates the proposal before taking a decision to lend money (Habibur Rahman 1995). Aktaruddin (1999) found that the personal attributes are the key factors for entrepreneurial success or failure. Women entrepreneurs are mainly challenged by lack of funds, marketing deficits and discriminating treatment from supportive service agencies and government (Saleh 1995). Despite various initiatives, challenges of inadequate capital, sales promotion, permission for starting a business, gender discrimination, illiteracy, lack of business knowledge, non-availability of training programs, technical supports and lack of managerial experience are still prevailing against the women entrepreneurs which act as glass ceiling barriers for them. Therefore, this study tries to identify the critical factors for the development of women entrepreneurship in retail business of Bangladesh.

2. Literature Review

Women involvement in retail business of Bangladesh is remarkably increased in recent days. However, they face numerous challenges to work in a male-dominated society like Bangladesh with a competitive and highly complex economic and business environment. These problems often come from the society's culture and the local syndicates where females are perceived incapable to do independent job. Study show that inadequate capital, sales promotion, getting permission to start-up a business, gender discrimination, illiteracy, lack of knowledge, non-availability of training program, barriers to access to technical support, lack of managerial experience, making ill talk by young people in some cases are the significant hindrances for women entrepreneurship development and so on. However, personal qualities such as hard work and perseverance, management and marketing skills, support provided by their spouses or family are the main reasons behind the success of the women entrepreneurs (Afroze, et.al., 2015). To establish a business, the initial problems faced by the female entrepreneurs seem similar to those confronted by female in other developing countries. However, the findings show lower levels of work-family conflicts among Bangladeshi female entrepreneurs seem to differ with other countries in terms of their reasons for starting a business

and succeeding in the venture (Rahmatullah & Zaman, 2014). Study also identified that these challenges are faced by women borrowers other countries too. In Eldoret Town of Kenya, acquisition of credit from Women Enterprise fund are hindered by: long procedures involved in application and long processing, delay in loan disbursement, requirement that a member must have accumulated savings, lack of security/ collateral, requirement that one must be a member of a group first, and high cost of acquiring loan (Gedion, et. al., 2015). The study revealed inadequate funding and finance and the inability to clarify business goals as the main barriers restricting the success of the business for female entrepreneurs in South Africa (Meyer & Mostert. 2016). Different internal and external factors affect the motivation, create obstacles to success and performance of firms created by women. It is clear that type of financial support, demographic factors, age at which the new business venture is undertaken, use of family loans and the initial size of firm are all instrumental in subsequent business success (Akehurst, et. al., 2012). To overcome these problems, government and family supports are crucial for the women entrepreneurs in developing countries like Bangladesh. Hence, the emergence and development of entrepreneurship largely depends on the supporting conditions of different factors such as economic, social, cultural, and psychological. Based on institutional theory, these factors can also be divided into regulative, normative and cognitive factors. Regulative factors refer to the rules and regulations of Government and other institutions that influence women entrepreneurship development in rural Bangladesh (Nawaz, 2009). Widespread illiteracy, lack of basic education, training and experience also remain serious obstacles in rural women's entrepreneurship development. Besides these, lack of awareness, social superstitious and the absence of rule of law also affect the rural women's participation in economic activities outside their family (Nawaz, 2009).

The creation of a new venture is a complex process that includes the actions, activities, thoughts, and processes. Some researchers conceptualized new venture creation as a process based on the effort–performance– outcome model where the effort is expended to start a business (performance) leads to certain desired outcomes (Kariv, D. (2013). Study also found that the external factors are more dominant than the internal ones in contributing to the business success of the One-District-One-Industry program (ODOI) entrepreneurs in Malaysia. The findings indicate that the government should actively play its pivotal role in (i) skill training since most rural businesses are labor intensive which involve skills and creativity; (ii) strengthening business competencies through more rigorous training; (iii) investment in infrastructure and facilities for a conducive local business environment; and (iv) effective market support services in terms of product promotion, market accessibility and networking (Kader, et. al., 2009). As long as success is concerned, the most significant factors affecting business success of SMEs in Bangladesh are concerned with the way of doing business, management know-how and, external environment (Philip, M. 2011). Study also identified more findings in this regard such as, (i) SMEs are of overwhelming importance in the region, as they account, on average per country, for more than 95% of all firms in all sectors, (ii) the representation of women entrepreneurs is still relatively low which can be attributed to factors such as low level of education, lack of capital, and cultural or religious constraints, and (iii) most of women entrepreneurs in SMEs are from the category of "forced" entrepreneurs seeking for better family incomes (Tambunan, T. 2009). The concentration of women in low capital intensive industries which require less funding and at the same time have a lower potential for growth and development might also be driven by barriers against women regarding access to finance (Klapper & Parker 2010). The study on micro-entrepreneurs in Pakistan, in this regard, reveals that at the time of entering into the venture, women are driven mainly by the pecuniary motives. They perceive customer service and relative business experience as the key success factors. Lack of access to financial capital, bureaucratic hurdles, and environmental uncertainty are the major barricades (Hussain & Yaqub, 2010). The study conducted in Ethiopia on SME women entrepreneurs also identified problems in the areas of securing finances for establishing and running SMEs, lack of entrepreneurial and management competence and exposure, problems in finding the markets and distribution networks; limited opportunities for promotion and participation; limited amount of government and institutional support; absence of technological know-how and integration mechanism; and rampant corruption in an undisguised or disguised form, as major bottlenecks (Singh & Belwal, 2008).

The women entrepreneurs are engaged in small business in different countries. Women Entrepreneurship Development (WED) Study in Africa showed that many women are still operating smaller businesses and doing so in localized markets and in feminized sectors. These businesses are under severe market pressure from competition both locally and internationally. These women entrepreneurs suffer to varying degrees from significant material constraints through to unhelpful attitudes arising from society's negative attitudes to women in business. Nearly all of the women interviewed have severe pressures on their time because of juggling business, household and community duties (Richardson, et. al., 2004). Study also identified that the female-owned businesses do have higher failure rates compared to male-owned businesses, the difference is not significant after controlling for the effects of industry (Watson, 2003).

In case of micro credit, total amount of microcredit financing, education, government support and experience are found significant for the rural women (Mohamad-Azahari, & Joni-Tamkin, 2013). A survey was used to collect data from 224 Emirati female entrepreneurs. It was found that family is an important factor. Family support and contribution of family members to the business are important for business success (Jabeen, et. al., 2015). The specific obstacles and challenges faced by women are the lack of role models in entrepreneurship, Lack of experience, Lack of wealth, competing demands on time *(*Jahan, 2017).

Therefore, the core issues were identified by the women entrepreneurs like marketing, capacity building and training, access to finance, design and product development, regulatory barriers regarding tax, VAT and company registration, promotional activities, ICT etc. but in maximum cases women were deprived of due to negative attitude of our society & community (Rahman, 2010). The factors taken into account in this study are summed up in Table 1.

Table1: Independent Variables Concerning Retail Business Women Entrepreneurs

Factor Name	Items	Authors Name
Regulative Factors	Government policies	Scott (2001), Nawaz (2009).
	Institutional policies	
	Bank policies	
	Tax policies	
Normative Factors	Social factors	Rahman, Hossain and Miah (2000), Islam and Aktaruzzaman (2001), Islam and Aktaruddin (2003), Nawaz (2009)
	Availability of capital	
	Market contacts	
Cognitive Factors	Risk assessment capacity	Islam and Aktaruzzaman (2001), Hossain and Rahman (1999)
	Education and access to information	
	Entrepreneurial training	
	Business Knowledge	

3. Research Methods

This study is based on both primary and secondary sources of information. To determine the sample size of the retail women entrepreneurs, published formula of University of Florida was used as a reference. This study used formula for taking sample data from population suggested by Yamane, (1967).

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

Where, n=Sample Size, N= Population, e=Level of Precision, in calculating number of sample the following assumptions were made to determine, n=218, if Population size is more than 100000; Level of precision is 7%.

3.1 Statistical Tools Used

Both descriptive and inferential statistics were used to analyze the data. Inferential statistics like Confirmatory Factor Analysis (CFA) and Structural Equation Modeling (SEM) were used to confirm the respective factors. It also identified the critical influential factors which are related to develop of women entrepreneurship in retail business of Bangladesh.

3.2 Questionnaire Design and Test of Reliability

We have selected 218 respondents from retail business in Bangladesh. A structured questionnaire with 11 items was used to collect the data. This structured questionnaire with the 5-points scale was developed for the items related to critical factors for the development of women entrepreneurship in retail business of Bangladesh. Two demographic variables, namely, age, and education level were taken to ensure the variability of different variables.

3.3 Data Collection

The sample respondents were selected by using the convenience sampling method. After collecting 234 data, incomplete, biased, and or abnormally answered data were discarded through scrutinizing process and finally 218 data were used in the analysis. The reliability of 11 items in the questionnaire has been tested by using SPSS software.

3.4 Participants and Procedures

Out of 218 respondents, 71% are from 28-35 years, 23% are from 36-45 years and 6% are from 45 yrs and above age group. With regards to education, 5% completed primary, 9% secondary, 18% higher secondary, 19% honors and 49% completed Master's education (Table 2).

Table 2: Descriptive Statistics

Particulars	Frequency	Percent
Age		
28-35 years	155	71.1
36-45 years	50	22.9
45 years and above	13	6.0
Education		
Primary	10	5
Secondary	20	9
Higher Secondary	40	18
Honors	42	19
Masters	106	49

3.5 Normality of Data

According to Tabachnick and Fidell (2001), the value of Skewness and kurtosis statistic lies between -4 to +4 that is deemed to be acceptable. Table 3 shows that all the data met the acceptable range indicating the normal distribution of data.

Table 3: Normality of the Information

Descriptive Statistics			
	N	Skewness	Kurtosis
RF1	218	.278	-.589
RF2	218	.106	-.749
RF3	218	.385	-.277
RF4	218	-.174	-.664
NF1	218	-.066	-.816
NF2	218	-.109	-.834
NF3	218	-.014	-.646
CF1	218	.187	-.963
CF2	218	-.459	-.714
CF3	218	.335	-.551
CF4	218	.276	-.905

3.6 Test of Reliability and Validity

To analyze the reliability of the data, this study used the Cronbach's alpha, composite reliability, average variance extracted from the data are shown in Table -4 which is at the acceptable limit as per Nunnally and Berstein (1994), Hair et al. 1998, Fornell & Larcker, (1981); Henseler, Ringle, & Sinkovics, (2009) respectively.

For checking the discriminant validity, we followed Fornell Larcker's (1981) criterion that compares the AVE value with corresponding correlation values with other variables. The square-root value of AVE needs to be greater than the corresponding correlation values with other variables (Hair et al., 2014). The Reliability and Discriminant Validity of the factors is shown in Table 4.

Table 4: Reliability and Discriminant Validity

	CR	AVE	Cronbach's alpha	1	2	3
1. Normative Factors	0.877	0.708	0.868	0.841		
2. Regulative Factors	0.884	0.658	0.883	0.804	0.811	
3. Cognitive Factors	0.834	0.557	0.832	0.446	0.486	0.747

Note: AVE>0.50 (Fornell & Larcker, 1981); Henseler, Ringle, & Sinkovics, 2009), Composite Reliability>0.70 (Hair et al. 1998), Cronbach's alpha>=0.60, (Nunnally and Berstein (1994)).

3.7 The Coefficient of Determination

The analysis shows that the R square value of the model is 0.406. That means all three independent factors like normative factors, regulative factors; cognitive factors explained 40.6% of the variance in the overall factors of the women retail business entrepreneurs in Bangladesh.

4. Results and Discussions

In this section, results of Confirmatory Factor Analysis, and the results of Structural Equation Modeling are reported.

### 4.1 Results of Confirmatory Factor Analysis (CFA)

CFA was utilized to confirm the unidimensionality of measurement that resulted from the EFA. The relative chi-square for this model was 1.395 that was smaller than the three recommended by Marsh and Hocevar (1985). Other fit indexes also showed a good fit for the measurement model. The GFI is .954 which was greater than the recommended value of 0.90 (Joreskog & Sorbom (1984). Moreover, the adjusted goodness of fit index (AGFI) is .925, which was greater than the 0.90 recommended by Anderson and Gerbing (1988). Furthermore, the non-incremental fit index, such as the comparative fit index (CFI) is .989 that was exceeding the recommended cut-off level of 0.90 (Bentler, 1990). Finally, the root means square error of approximation (RMSEA) was 0.043, which also was greater than the suggested a good fit to the data (Browne & Cudeck, 1993). The summary result is shown in Table 6. The fit indices showed a good model fit to the data. The other model fit indices were SRMR = 0.0442, and RMR = 0.036 (Table 5 & Figure 1).

Table 5: Model Fit Indices and Their Acceptable Thresholds

Goodness of Fit Indices	Value	Level of acceptance	Reference
Chi-square/df	1.395	< 5.0	Marsh and Hocevar (1985)
CFI	.989	>0.90	Bentler (1990)
RMR	.036	<0.08	Hu & Bentler (1998)
GFI	.954	>0.90	Joreskog & Sorbom (1993)
AGFI	.925	>0.85	Anderson and Gerbig (1984)
RMSEA	.043	<0.08	Browne & Cudeck (1993)
SRMR	.0442	<0.05	Hu and Bentler (1999)

In sum, the measurement model exhibited a fairly good fit for the data collected. The measurement model was further assessed for construct reliability and validity. Construct reliability can be interpreted as the resultant coefficient that is similar to that of Cronbach's alpha, except that it also takes into account the actual factor loadings rather than assuming each item to be equally weighted in the composite load determination. The construct reliability for all factors is above 0.70 in the measurement model exceeded 0.70, which identified as an acceptable threshold (Hair et al. 1998).

Figure 1 Confirmatory Factor Analysis of the Constructs
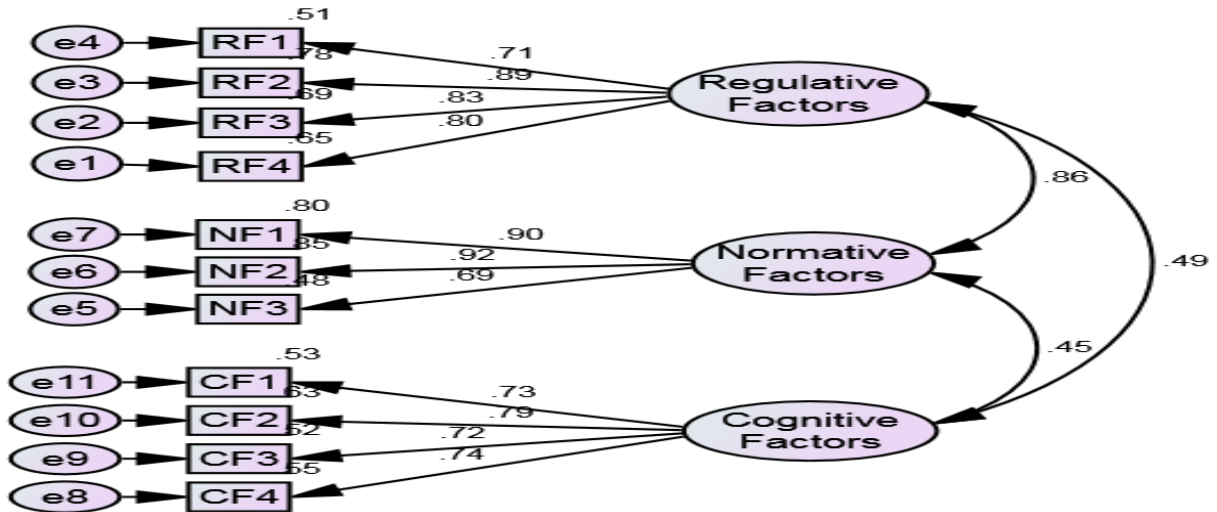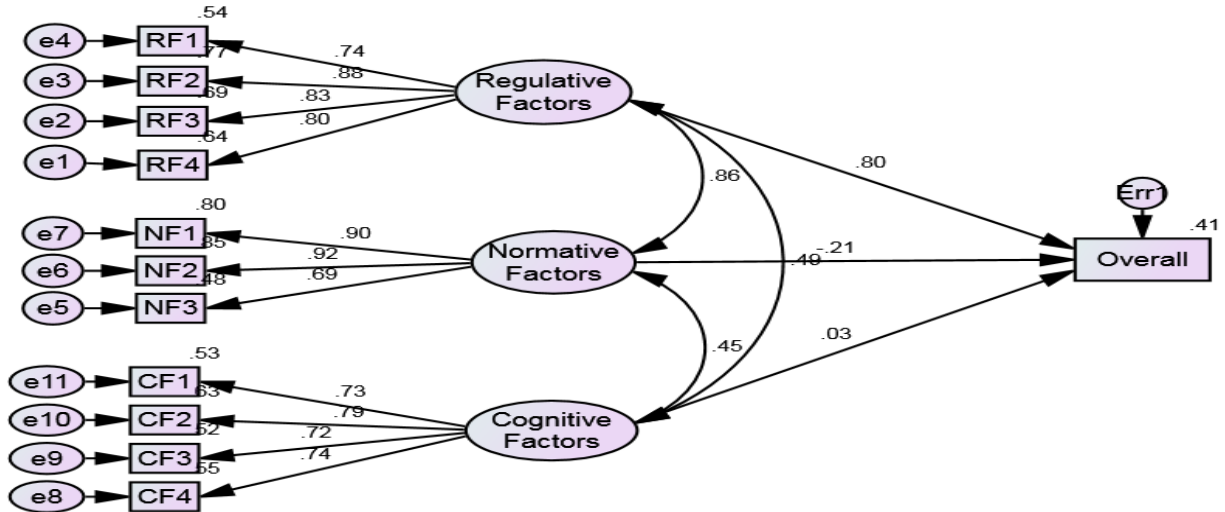

4.2 Results of Structural Model

A multivariate analysis technique like covariance-based structural equation modeling was used to identify the significant relationship between overall factors concerning women retail business entrepreneurship development and the factors identified through different factors like regulative factors, normative factors, and cognitive factors.

Table 6 lists the structural parameter estimates and the hypothesis testing results. This study examines the impact of regulative factors, normative factors, and cognitive factors to develop of women entrepreneurship in retail business of Bangladesh. The Path diagram (Figure 2) revealed that only regulative factors (β=0.933, p=.000) positively influence the development of women entrepreneurs in retail business of Bangladesh. But normative factors (β=-0.283, p=.152) and cognitive factors (β=0.039, p=0.629) are not significantly related to the development of women entrepreneurs in retail business of Bangladesh. Hence, the results showed the support for H1 but not H2, and H3.

Table 6: Results of Structural Relationships

Factors	Estimate	S.E.	C.R.	P	Sig.
Overall ← Regulative Factors	.933	.188	4.965	0.000	Significant
Overall ← Normative Factors	-.283	.198	-1.432	.152	Not Significant
Overall ← Cognitive Factors	.039	.080	.483	.629	Not Significant
R^2 value	.406				

Figure 2 Path Model

5. Conclusions and Recommendations

This study identified critical factors for the development of women retail business entrepreneurs of Bangladesh. CFA shows that all the three factors like regulatory factors, normative factors and cognitive factors are important factors concerning the development of women entrepreneurs in Bangladesh. Covariance-based structural equation modeling was used to identify the significant relationships between the overall factors of women retail business entrepreneurs and the factors identified through research like normative factors, regulative factors and cognitive factors. Results show that the regulative factors are the most important factors for the development of women retail business entrepreneurs in Bangladesh. The reason can be attributed by the overall business environment of the country which is beyond the control of the women entrepreneurs. Results also show that normative and cognitive factors are not significantly related to the overall development of women retail business entrepreneurs in Bangladesh. The reason can be attributed by the changing social culture of Bangladesh and the increase of women entrepreneurs in business. If the government, law enforcing agencies, and institutional supports are ensured, there will more women entrepreneurs in retail business sector of Bangladesh. Moreover, regulatory factors will have positive impact on the normative and cognitive factors concerning women entrepreneurs. Hence, government and other institutions should come forward to ensure the congenial environment of the business for the women entrepreneurs in Bangladesh. However, there is an ample scope to identify additional factors by taking more samples in consideration by further studies in future.

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Investors' Risk Absorption: A strategic tool for investors' propensity to invest

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Abstract

If the financial product marketers can develop a set of psychological adjustments within the individual investors belonging to middle income groups, then they will be able to take financial risk for a comparative long time period with fair level of satisfaction towards the particular financial products (proposed as risk absorption in the present study). The above said psychology of investors may propel them to purchase more and more the financial product with moderate risk with an extended risk tolerance capacity, which can be strategized by the financial product marketers for their new similar financial products. In this context the research problem is "Can the risk absorption develops a propensity to invest of the individual investors in certain financial products?" This paper aims to study the factors of financial risk absorption among middle income group and the effect of risk-absorption on the propensity to invest of the individual investors in the financial market. Causative research design is followed in this study, where stratified random sampling method is adopted with a structured questionnaire to the sample size of 112. Data is analyzed through factor analysis to find the factors which explain financial risk absorption characteristics of individual investors and multiple linear regression is used to find out the effect of financial risk-absorption on investors' propensity to invest. This study resulted in exploration of distinct factors like financial risk tolerance, information sources, patience and self-confidence, ease of investment, decision taking capacity, liquidity etc., which reflects the 'financial risk absorption characteristics' of individual investors. The risk absorption has a significant positive impact on propensity to purchase certain financial product having moderate risk. The risk tolerance some time meets the saturation position after the value receipt or after the maturity of investment resulting in lack of focus on retaining the customers of financial products with moderate risk. But this paper focused on those characters of investors that lead to such a behaviour, which end in absorption of risk for a longer period with a continuous fair level of satisfaction.

Key words: Risk absorption, Propensity to invest, Individual investors, financial product.

1. INTRODUCTION

For the development of any nation, it is eminent that there should be adequate amount of required capital, moment of surplus amount of finances to the deficient areas requiring capital for its investment, circulation of money, encouragement of domestic investment etc ("Keynesian Economics Definition | Investopedia," 2012). In this context, Mahmoud, M.S. & Abdel, H.A.E. (2016) and Bakari, (2017) from their study found that, strategic use of domestic saving, improving capital conversion ratio and utilising a certain percentage of the disposable income from public in the financial market for better performance of an economy. A stable economy needs an emphasis on both domestic investments from domestic institutions and domestic individual investors along with foreign investment. But, due to negligible conversion of domestic income into investment, makes our economy vulnerable and dependent mainly on the foreign institutional investment and FDI. The world crisis at different era taught our nation about negative aspect of dependency on foreign nation, FDI and FFI contribution for the capital requirement resulting in the breakdown of Indian financial market as well as economy of India (Elliott, 2011) (Lokeshwarry, 2018). So it is important to improve the domestic investment, both from institution and individual investor. And to extract investment from domestic individual investment, we must focus more on the middle income group along with the HNI investors. It will only be possible by developing a set of psychological adjustments of the individual investors belonging to middle income groups to able to take financial risk for a comparative long time period with fair level of satisfaction towards the particular financial products (proposed as risk absorption in the present study).

Risk absorption is differentiated from the risk tolerance in this study. The risk tolerance is the tolerance capacity of any individual investor to take financial risk for a specific financial product for a specific duration of time, whereas "Risk Absorption" is the risk taking psychology which can take a comparative higher risk and for a comparative longer period of time. With the risk absorption capacity, the satisfaction for investment towards any financial product is more than the person with tolerance capacity. The greater risk absorption capacity drives the satisfaction level of an individual for a specific financial product for a longer time period, which creates likeliness or generates a propensity to investment in that financial product or similar financial product or comparative similar financial product with same level of financial risk associated with the product. This risk absorption capacity generates certain kind of likelihood for those invested financial product, that the person will find that inclination in him towards introduction or launch of similar type of financial product. The above said psychology of investors may propel them to purchase more and more the financial product with moderate risk with an extended risk tolerance capacity, which can be strategized by the financial product marketers for their new similar financial products. This psychological satisfaction related to that financial product brings an encouragement in him to refer the financial product to author investors. In this context the research problem can be stated as follows.

1.1. Research problem

The intensity of risk that can be bearable by different investors is different from each other based on different elements. The elements, which can effectual in making financial decision and getting satisfaction and likeliness towards investment, are the behavioural, informational content and psychological, especially the risk bearing capability. Basing on the risk bearing capacity, the risk absorption posses the behaviour in a human being which will encourage him to take risk on investment for a longer time and could bring internal satisfaction for the investment or would lead to dissatisfaction on the current investment. In this context, the research problem can be stated as "can the risk absorption develops a propensity to invest of the individual investors in certain financial products?"

1.2. Objectives:

1. To study the factors of financial risk absorption among middle income group
2. To study the effect of factors risk-absorption on the 'propensity to invest' of the individual investors in the financial market.

1.3. 1.Research design and methodology:

Causative research design is followed in this study where the relationship between 'risk-absorption' and 'propensity to invest' of the individual investors is examined. Here, stratified random sampling method is adopted with a structured questionnaire to the sample size of 100. The respondents for the study are customers of financial products having moderate risk. The variables (items) of the questionnaire are identified through extensive literature review and from own experience of the researchers during their past relevant jobs. Data is analysed through factor analysis to find the factors of financial risk absorption and multiple linear regression is used to find out the effect of risk-absorption on propensity to invest. Data analysis for the above said statistical methods is done through SPSS 22.0 software. Citation and referencing is performed by mendeley desktop software.

Here a different terminology, "risk absorption", is devised or deduced as a part of extended mythology in this study. Risk tolerance is commonly used for the strategies of financial products, which cannot serve the purposes like strategies of relevant product, time period to be retained with the same financial product, referring other customers, the financial product that has been subscribed so far as the marketing of financial product are concern. So, the assumptions that justify something more than the risk tolerance, are proposed in this study as "risk absorption". These assumptions refers that the investors will hold the security for a longer period rather than liquidating on acquiring short term profit, individual investor will show the same level of satisfaction on investing in the similar risky assets, & the investors will refer the financial products to other investors for investments.

1.2.2 Respondents Profile

Out of all the respondents, male constitute 71.4% and female constitute 28.6%. On the basis of age, 10.7%, 33%, 31.3%, 2.7%, 10.7%, 2.7% and 8.9% of the total respondents are taken from age group 21-25, 26-30, 31-35, 36-40, 41-45, 46-50 and above 50 respectively. The data is collected from 38.4 % unmarried people and 61.6 % married people. 45.5% of the respondent are in Government service, 43.8% have private jobs, 5.4% posses their own business, 2.7% provide professional services and 2.7% do some other jobs. The majority of respondents i.e. 49.1%, have the post graduate degree, where as graduate are 30.4%, undergraduate are 1.8%, and other professional degree are 18.8%. 12.5%, out of total respondents have their income below Rs 20000, 51.8% belong to the income group of Rs 20001-40000, 23.2% belong to Rs 40001-60000, 6.3% belongs to Rs 60001-80000, 3.6% belongs to Rs 80001-100000 and 2.7% belong to the people having income more than Rs 100001.

2. Literature Review:

2.1. Importance of Domestic Investment

Domestic investments from domestic investors or the retail investors are very much important for filling the capital and financial need of any nation by utilising the disposable income from the public and depending less on the external financing from other countries. Bakari, S. (2017) advocates in his study that domestic investments are very important for the economic development of any nation. Bal, D. P. et al. (2016) also supported the fact that the domestic investment lead to the growth of the GDP as it promote the capital formation.

2.2. Risk Tolerance

Every human being has to come across the option of buying, making investment through their decision and these decisions are more over dependent on their choices. These choices are always affected by many factors like the return and risk associated with the investment, the growth potential, type of investment and more over the choices are highly dependent upon the human and its nature as well as behaviour. One of the behaviour which has a great impact on the risk taking capacity of an individual commonly known as risk tolerance and when it relates to financial investments, the risk taking potential is measured in terms of 'Financial Risk Tolerance'. Financial risk tolerance is the maximum amount of risk or uncertainty that someone is willing to bear or accept, while making financial decision, considering the economic and social life (Grable, 2000). The risk tolerance is measured by the five factors like traditional risk factor, reflective risk factor, allocation risk factor, capacity risk factor and knowledge risk factor.

2.3. Factors affecting Risk Tolerance

There are many factors affecting the risk tolerance attitude of the investors and their risk bearing capacity. These factors can be the emotional intelligence and locus of control, which have a positive impact on financial risk taking. Aydemir, D. & Aren, S. (2017) also explained the fact that the emotional intelligence among the investor is the key factor behind the risk tolerance behaviour of individual. Sweet,M.M (2013) explained that the variables like the age, years to retirement, gender, income and education have an individual impact and effect in combination. Anderson, T. (2016) also found that the factors like family relation and the financial literacy and education have an impact on the individual financial risk tolerance level. Mohan & Singh, (2017) supported the fact that financial risk tolerance increases with the increase in the level of education of investors. It also affected by proportion of loan, Govt. tax benefits etc. The other factors like department, working in a job, working environment and the demographic factors like the personal income, gender, family income, earning member of the family, age, marital status and number of children affect the financial risk tolerance (Anbar & Eker, 2010). Chattopadhyay & Dasgupta (2015) revealed from their study that the married persons are more risk averse than the unmarried persons. They also supported the fact higher education, higher income, family savings etc. can bring more tolerance relating to investment risk. The risk tolerance capacity differ from male and female and character of conscientiousness (Wong & Carducci, 2013) (Pak & Mahmood, 2015). To support his arguments (Saurabh & Nandan, 2018) found that the internal consistencies and satisfactory reliabilities can construct and enhance the risk bearing capacity and increase risk tolerance level. The fundamental information about the security or investment and the market return affects the financial risk tolerance among investors. Reddy & Mahapatra (2017) found from his study that personal financial knowledge and the demographic variables like age and educational level affects the risk tolerance level.

2.4. Propensity to invest

 Tang, Chen, & Sutarso (2008) also supported the fact that the risk tolerance plays a catalytic role in generating the likeliness or increase the propensity towards investment among the investor and could get more satisfaction from the return out of those. Mohan & Singh, (2017) found and supported the more is the financial risk tolerance, the more will be propensity or likeliness to invest more risky security and for a longer period. The satisfaction would be more if the risk tolerance level is more

3. Result and Discussion:

The risk absorption capacity differs from investor to investor and this risk absorption capacity depends on various factors. The scale reliability of the questionnaire is tested by the Cronbach's alpha. Explorative factor analysis is applied to explore the factors of investors' propensity to invest. These explored factors are taken as independent variable for the dependent variable, which is the propensity to invest in regression analysis to find out the factors' effectiveness on propensity to invest. Cronbach's alpha is calculated to measure the internal consistency, which shows the close relationships of a set of items (in questionnaire) as a group.

Table -1	Scale Statistics			Reliability Statistics		
Mean	Variance	Std. Deviation	N of Items	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
160.56	357.311	18.903	45	.878	.879	45

The scale (questionnaire) is optimally reliable, i,e. 88% as the standardised value of Cronbach's alpha is 0.878 with 45 items excluding 10 demographic variables, referred in table-1.

3.1. Exploration of the major factors that affects the investors' propensity towards investment

To identify major factors of Risk Absorption characteristics among the individual investors, the explorative factor analysis is adopted by taking 32 variables.

Table-2	KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy		.691
Bartlett's Test of Sphericity	Approx. Chi-Square	2335.832
	df	496
	Sig.	.000

KMO measure of sample adequacy is 0.691 which is significant (0.000), so explorative factor analysis is applicable here. The significant (0.000) value (0.691) of Bartlett's test of sphericity justify that the correlation matrix is not an identity matrix. This shows that the sample is appropriate and can produce distinct factors as shown in table-2.

Table- 3	Total Variance Explained								
Compo nent	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	6.769	21.152	21.152	6.769	21.152	21.152	6.620	20.687	20.687
2	4.825	15.079	36.231	4.825	15.079	36.231	2.937	9.178	29.865
3	2.385	7.454	43.685	2.385	7.454	43.685	2.262	7.069	36.934
4	1.961	6.129	49.814	1.961	6.129	49.814	2.138	6.682	43.616
5	1.637	5.115	54.929	1.637	5.115	54.929	1.869	5.840	49.456
6	1.510	4.720	59.649	1.510	4.720	59.649	1.834	5.731	55.187
7	1.394	4.356	64.005	1.394	4.356	64.005	1.657	5.178	60.365
8	1.266	3.956	67.961	1.266	3.956	67.961	1.648	5.150	65.515
9	1.131	3.535	71.496	1.131	3.535	71.496	1.641	5.128	70.643
10	1.062	3.320	74.816	1.062	3.320	74.816	1.335	4.173	74.816
11	.959	2.998	77.814						
12	.807	2.523	80.337						
13	.785	2.452	82.789						
14	.650	2.033	84.821						
15	.588	1.837	86.658						
16	.553	1.728	88.386						
17	.515	1.608	89.994						
18	.419	1.310	91.304						
19	.416	1.299	92.603						
20	.353	1.104	93.707						
21	.342	1.069	94.776						
22	.299	.935	95.711						
23	.258	.807	96.518						
24	.236	.736	97.254						
25	.199	.621	97.875						
26	.186	.580	98.455						
27	.145	.454	98.909						
28	.135	.421	99.330						
29	.099	.308	99.638						
30	.055	.173	99.812						
31	.041	.127	99.939						
32	.020	.061	100.000						
Extraction Method: Principal Component Analysis.									

Using the principal component method in factor analysis, 10 numbers of factors are extracted. These 10 factors explain 75 % of the total cumulative variance as rotated sums of squared loadings is 74.816 as shown in table-3. It shows that the extracted 10 factors explain 75% characteristics of the 32 variables taken for the study. In rotated component matrix it is seen that 10 factors are extracted from the 32 variables for this study and also shows the factor loading of each variable under its respective factor. The table-4 is the made to show each factors loading and the percentage of variance explained by each factor. Table-4 is the edited by combining both the variance table and the table of rotated component matrix of the output of analysis (in SPSS).

Table- 4		Rotated Component Matrix	
Factors	% of variance	Scale items	Factor loadings
Financial Risk Tolerance	20.687	Compared to other, how do you rate your willingness to take financial risk?	.958
		How much confidence you have in your ability to make good financial decision?	.940
		When you think the word "risk" in a financial context, which of the following words comes to the mind first?	.940
		How easily do you adapt, when things go wrong financially?	.915
		If you choose between more job security with a small pay increases and less security with a big pay increase, which should you pick?	.905
		When faced with a major financial decision, are you more concern about the possibility of losses or possible gains.	.902
		Have you ever invested a large sum in a risky investment mainly for the thrill of seeing whether it went up or down in value.	.861
		What you had preferred to do with your surplus earning after expenditure in recent months?	.713
Informational Sources	9.178	Take news from TV, Radio and various paper before investing money	.751
		Prefer to withdraw money whose price increases	.731
		I believe on the advertisement for purchasing of SIP and Mutual fund	.680
		Take decision by looking decision of people near to me	.581
		Take advice from friends, relative and family members	.550
Patience & Self Confidence	7.069	Have patience if product performance not encouraging.	.801
		Stock market financial product is better than FD,RD and saving ac.	.694
		Take above average financial risk expecting more profit	.557
		Confident that my knowledge above average	.474
Fundamental Information	6.682	Take information from dividend declaration	.756
		Use Information from quarterly/half yearly and annual earnings announcement	.709
		Go through the written information of any financial product	.663
Ease of Investment	5.840	Invest from where withdraw at wish	.744
		Generally investment by emotion and sentiments	.595
		Gradually taking more and more risk while going to purchase	.558
		Take more time to purchase financial product like SIP and Mutual fund	.422
Decision Control	5.731	Decision regarding financial transaction under my control	.736
		Perfect Planning will not set you back	.644
		Family Member Helps in purchase of mutual fund	.545

Investment Liquidity	5.178	Think more frequently withdrawing money from mutual fund and SIP	.788
Residing Areas	5.150	Residing in village will make no difference in investment	.802
Financial Sense of security	5.128	Old people are not willing to take more risk while purchasing financial Product	.808
Optimism	4.173	Conscious regarding investment helps in investment	.816
		Optimistic regarding growth of money in investment	.509

With Varimax rotation and Kaiser normalization, 10 factors are extracted as described in the rotated component matrix, which are named as financial risk tolerance, informational sources, patience and self confidence, fundamental information, ease of investment, decision control, investment liquidity, residing areas, financial sense of security, and optimism. The factors like the patience & self confidence, decision control, financial sense of security and optimistic attitude can elucidate the meaning of intrinsic motivation. Ryan & Deci (2000) also supported the facts that the self confidence, decision control and optimism reflect the intrinsic motivation created among the people. The information sources develop the knowledge of the investors along with some positive attitude towards investments.

3.2. Impact of the factors of Risk Absorption on the Investors' Propensity to Invest

The second study was made to see the effect of the factors of 'risk-absorption' on the propensity to invest of the individual investors in the financial market. Multiple linear regression technique is used to find out the effect of extracted 10 factors of risk absorption on the investors propensity to invest. For the regression model to be fit, the results of ANOVA are examined as follows.

Table-5		ANOVA				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2255.105	10	225.510	44.890	.000[b]
	Residual	507.386	101	5.024		
	Total	2762.491	111			
a. Dependent Variable: Propensity to invest						
b. Predictors: (Constant), Optimistic behaviour of the investor., Financial sense of security in the brain of investor, Residing areas of the respondent, Liquidity in investment, Control Capacity of making decision, Investment that are easy to understand and suitable, Fundamental information relating to investment, Patience within investor and their self confidence, Informational Sources, Financial Risk tolerance Capacity.						

The table-5, the ANOVA results, shows that the 'F' statistics (44.890) is significant (p = 0.000). So, it can be inferred that the regression analysis is fit for the above purpose.

Table-6				Model Summary						Durbin-Watson
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.904a	.816	.798	2.24135	.816	44.890	10	101	.000	2.060
a. Predictors: (Constant), Optimistic behaviour of the investor., Financial sense of security in the brain of investor, Residing areas of the respondent, Liquidity in investment, Control Capacity of making decision, Investment that are easy to understand and suitable, Fundamental information relating to investment, Patience within investor and their self confidence, Informational Sources, Financial Risk tolerance Capacity										
b. Dependent Variable: Propensity to invest										

Table-6 shows that the factors of risk absorption have an effect of approx. 80% on the propensity to invest by the investors as the adjusted R^2 is .798 and it is significant (P=0.000). The variables are independent of each other as the variables show no auto co-relation symptoms. It is justifying from the Durbin Watson statics (should vary from 1.5 -2.5). In current research it is 2.06 that justify the above argument.

Table-7	Coefficientsa									
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations			Collinearity Statistics	
	B	Std. Error	Beta			Zero-order	Partial	Part	Tolerance	VIF
1 (Constant)	29.384	.212		138.743	.000					
Financial Risk tolerance Capacity	4.010	.213	.804	18.850	.000	.804	.882	.804	1.000	1.000
Informational Sources	.832	.213	.167	3.909	.000	.167	.363	.167	1.000	1.000
Patience within investor and their self confidence	.917	.213	.184	4.310	.000	.184	.394	.184	1.000	1.000
Fundamental information relating to investment	.011	.213	.002	.051	.960	.002	.005	.002	1.000	1.000
Investment that are easy to understand and suitable	1.067	.213	.214	5.015	.000	.214	.447	.214	1.000	1.000
Control Capacity of making decision	.811	.213	.162	3.810	.000	.162	.355	.162	1.000	1.000
Liquidity in investment	.706	.213	.142	3.321	.001	.142	.314	.142	1.000	1.000
Residing areas of the respondent	.559	.213	.112	2.629	.010	.112	.253	.112	1.000	1.000

Financial sense of security in the brain of investor	.234	.213	.047	1.101	.273	.047	.109	.047	1.000	1.000
Optimistic behaviour of the investor.	.201	.213	.040	.946	.346	.040	.094	.040	1.000	1.000
a. Dependent Variable: Propensity to invest										

Out of the 10 factors, the most important factor is financial risk tolerance as the standardise Beta is .804, which is significant (P=.000). Among the other factors, the informational sources, patience and self confidence among investors, ease of investment and residing areas plays an important role in predicting the propensity to investment. As the beta values are .167, .184, .214, .162, .142 and .112 respectively and all are significant as shown in table-7. As the VIF values and the tolerance values are exactly 1.00 in every case, which shows that multicollinearity does not exist in the above said regression.

From the above results, a regression model can be formulated as follows:

Y= 29.384+ 0.804(Financial Risk Tolerance) + 0.214 (Ease of Investment) + 0.213 (Residing Area)+ 0.184 (Patience & Self Confidence) + 0 .167 (Information Source) + 0 .162 (Decision Control Capacity) + 0.142 (Liquidity) + U

Where: Y= Propensity to invest, U= the summation of all random and experimental errors.

All the 10 factors have combined effect on the behaviour of individual investors. It gives rise to a longer time satisfaction, which can help the investors to absorb risk and invest for a longer period. This behaviour in the current study is being coined as 'risk absorption'.
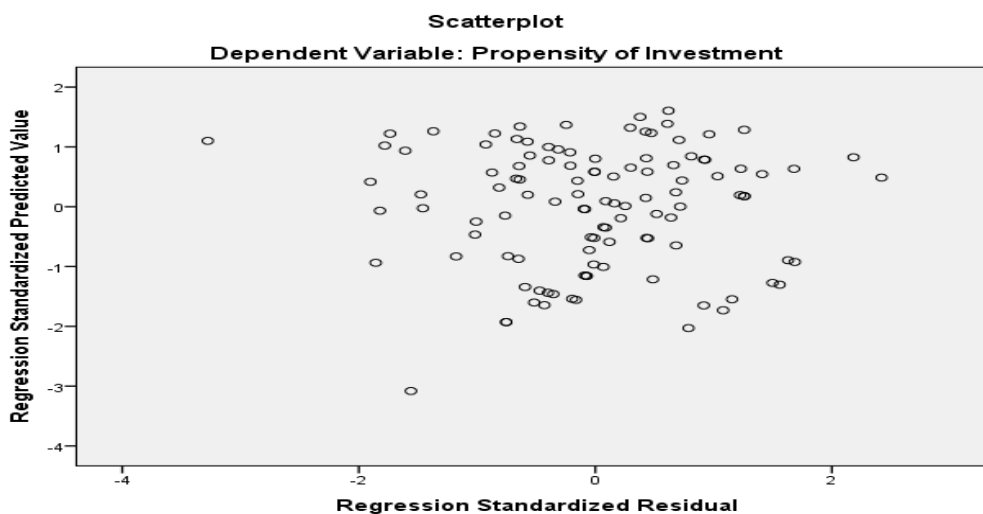

Figure-1

The assumption of homoscedasticity is not violated, which can be visualise from figure-1 as the regression standardize residual value are mostly distributed in an even pattern with respect to dependent variable.

4. Summary findings:

The study was purposed to find out the factors behind the psychological comfort among those individual investors, who keep steadiness in their investment pattern in adverse market situations, which ultimately refers to financial risk absorption. Various types of intrinsic motivation are the results of their behavioural traits and acquired knowledge, which leads to financial risk absorption. This risk absorption capacity ends-up in firmed and quick financial decision. The finding of the study resulted that the factors like the financial risk tolerance, the informational sources, patience and self confidence among investors, ease of investment.

As the major assumptions (multicollinearity & heteroscedasticity) of the multiple regression model has been justified, and the greater value of adjusted R^2 (80% Approx.) are resulted, the inference drawn can be applicable for a greater mass (large population of this study). The extracted factors relating to financial risk absorption have a significant impact on the decision taking capacity and the 'propensity to invest' of individual investors. This result can be applicable for all other related industries also.

The highest contributing factor to the propensity to invest is the 'financial risk tolerance capacity' in individual investors. The moderate contributors are the ease of investment, residing areas, patience & self confidence, information sources & decision control capacity. The least contributing factor is the liquidity in the investment, which have significant impact on the propensity of investment. From the above inference, it can be inferred that different issues of investors relating to investment has to be addressed and with the help of informational sources, a psychology needed to be developed to enhance the financial risk absorption capacity. The financial risk absorption characteristics can increase the 'propensity to investment' and can help in taking confirmed decision.

5. Originality/Contribution:

The previous finding of many research shown the tolerance capacity of persons to bear the financial risk related to investment. The tolerance some time meets the saturation position after the value receipt or after the maturity of investment resulting in lack of renewal of investment after mature period. But in this paper we are focusing the character of investor which leads to a behaviour, which end in absorption of risk for a longer period and this paper also reflects the effect of cognition on developing the risk absorption character.

6. Conclusion

From the prospective of the nation it is important to enhance the domestic investment and to reduce the dependency on the foreign investments. Domestic investment can be possible by motivating the domestic retail investors. So it is necessary to study the behaviour of the retail investors. The study found that the factors of risk absorptions which are financial risk tolerance, informational sources, patience and self confidence, fundamental information, ease of investment, decision control, investment liquidity, residing areas, financial sense of security and optimism has a significant influence on the investors' likeness and propensity towards investment in risky assets. From the sight of the financial product sellers, this financial risk absorption can be a strategic tool for enhancing the investors' propensity.

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Deferential customer-satisfaction: The central building-block of customer retention

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Abstract

It is well proven fact that acquiring new customers is much more costly than retain the existing customers, which depends on varying degree of customer-satisfaction (proposed as differential customer-satisfaction) that develops over the time period in the service industry, especially in banking industry. Here, the retention refers not only the repeat purchase/subscription of the product but also argues that 'referring others to subscribe' the same/similar financial product, positive intention towards the new products of the same organization, and remain with organization even in its' bad time. Overall understanding of customer is nothing but the level at which all the above three dimensions of customer-retention differs over the time period, which proposed to be determined by deferential satisfaction of concerned customers. On this contextual background, the research problem can be stated as "can the deferential customer-satisfaction predict certain degree of customer-retention being moderated by customer's biasness?" Basing upon the stated research problem the objectives of this study are (1) to examine the drivers of the deferential satisfaction of customers, (2) to propose a model by logically relating the deferential customer-satisfaction with the customer-retention along varying degree, and (3) to examine the moderation effect of customer's biasness within the effect of differential satisfaction on customer-retention. This study follows the descriptive research design, where review of literatures like empirical studies, theoretical research works, case studies and survey results. By putting the analytical arguments within these reviews, a model is proposed. The past experience of the researchers also helped to logically relate the components of the model. The major finding of this study is resulted a 'proposed model', which is justifying the drivers of the deferential customer-satisfaction in the banking industry and the deferential customer-satisfaction leads to a certain degree of 'customer-retention' with the moderating role of customer's biasness. The major drivers of customer's deferential customer-satisfaction are service encounter, availability of better alternative, the dynamism of customer psychology, trustworthiness, customer's location & convenience, and the level of knowledge regarding the concerned financial product(s). So far as originality/contribution is concerned, it can be said that rarely any researchers studied the incremental growth or downturn of customer-satisfaction, proposed as differential customer- satisfaction in this study. Further, how much the deferential customer-satisfaction brings change in the degree of customer-retention is argued through a model, justifying the uniqueness of the present study.

Keywords: - Differential customer-satisfaction, Customer-retention, Customer's biasness

1. INTRODUCTION

In the past decade, the banking industry has gone through the number of transformation due to technological advancement and cut-through computation in the banking industry. There are 40 private banks in India including the local area banks, small finance banks and the payment banks, 21 public sector banks, 4 financial institution banks, 56 regional rural banks and 45 foreign banks have the branches in India. In total 166 banks are operating in India as per the report of RBI (Reserve Bank of India). A total number of saving bank account till March 2017 is 157.1 crores of Indian rupees ("Digital India: Number of adult Indians with bank accounts rises to 80% - The Economic Times," n.d.). According to the World Bank report, 48% of bank account are inactive in India ("At 48%, India tops in bank users with inactive accounts, says World Bank - The Hindu BusinessLine," n.d.). The above statics shows that nearly half of the banks accounts are not performing, which is ultimate loss to the banks. In this case the banks have to implement certain strategy so, that the organization will run smoothly with the highest efficiency by retaining the customer's those are switching or quoting there transaction. In this context, Rust & Zahorik., (1993) said that the improvement of service leads to the customer-satisfaction and ultimately makes efforts to the customer-retention. The study of Hennig-Thurau & Klee, (1998) resulted that in relationship marketing, customer-satisfaction is treated as the central determinant of customer- retention. Customer-satisfaction also varies with so many determinants such as, according to Hennig-Thurau & Klee (1998) marketers' compititor and non-competitor attributes and their differentiation have influenced the formation of the customer-satisfaction. Again, same authors stated that emotional and ephemeral impression of satisfaction to a perticular product or srvice is more stable attitude like overall evalution of the product and customer quality perception. In discussing the customer-satisfaction customers knowledge is the most impotant assets to a firm (Hsu, Chen, & Hsueh, 2006). According to Chiou, Droge, & Hanvanich (2002) trust and loyality is very impotant factor for the high knowledged customer-satisfaction and it have positive impact on the repurchase activities specialy in finacial service industury. So, to retain the protential customers there most to take care about the psychological mindset and the knowledge of customers. Further, information quality, system quality and trust have the significant effect on the customer's satisfaction and customers satisfaction the important predictors of the customers repurchase intentions (Fang, Chiu, & Wang, 2011). There is direct relationship between the service quality & trust to the customers loylity, but customer-satisfaction is the impotant factor which is mediating the relationship between the service quality and trust and the customers loyality (Akbar & Parvez, 2009). So, for retaining the customers in the service industry, especially of the banks, whether the planners or strategists should improve the customer-satisfaction incrementally or should try for sudden enhancement of the satisfaction level with respect to certain dimensions of customer's satisfaction? Thus, for the particular customer's satisfaction, there is a need for identifying and choosing the drivers of customer-satisfaction, which ultimately can be responsible for customer-retention. In this contextual background, the following research problem is stated.

2. RESEARCH PROBLEM

Banks are the backbone of the Indian financial system. Banks like service organization customer- satisfaction fundamental base of business survival as they are the main source of revenue generation. In frequently upgrading technology and changing Govt. policy retaining the potential customer is the challenge to any bank. In this context, the problem statement can be given as   "can the deferential customer's satisfaction predicts certain degree of customer-retention being moderated by customer's biasness?"

3. OBJECTIVE OF STUDY

(1) To examine the drivers of the deferential satisfaction of customers.
(2) To propose a model by logically relating the deferential customer-satisfaction with the customer-retention along varying degree.
(3) To examine the moderation effect of customers' biasness within the effect of differential satisfaction on customer-retention.

4. METHODOLOGY

The study follows the descriptive research design. The logical relationship is developed through the proposed model backed by the past literatures and statistical data. The drivers of deferential customer-satisfaction, especially in banking industry are logically examined. Here, the drivers of the differential customer's satisfaction are distributed in three sub-categories (dimensions) such as customers' prospective, marketers' prospective and market prospective. The differential customer's satisfaction is said to develop certain probability of customer's retention, which is logically justified to have a moderation effect by the customer's biasness.

5. LITERATURE REVIEW

Various past research works dealing with critical issues of differential customer-satisfaction are studied in the current research work and the critical and logical comments are explained under the following three sub-sections.

5.1. Differential Customers' satisfaction
The changes in customer-satisfaction can be better judge by the customer him/her-self. So to determine the intensity of changes in the customer-satisfaction there is needed the better customer's relationship management system. The above statement is justify by Vyas & Raitani, (2014) in their stydy that the drivers of the customer switching behaviors are customer commitment towards the main bank; perceived service quality; effective advertising competition; service products offered; customer-satisfaction; responses to service failure; reputation and image of bank; price including interest rates charged or paid; and involuntary switching. In above statement author discussed all the dimensions of customer-satisfaction. In this context another author also said that the Client satisfaction on Indian banks are mainly depends on the service quality, ambience, hygiene in bank and client participation and involvement, whereas, Financial factors and proximity of the bank do not have much influence on satisfaction level of the customer (Gupta & Dev, 2012). Here another author stated that the level of the customer-satisfaction is generally influenced by the three factors, such as social responsibility, positive word-of-mouth and reliability (Singh & Kaur, 2011). Not only the facility affect the customer-satisfaction but also the psychological factors also have an influence on the customer-satisfaction, which is justified by another (Moutinho & Smith, 2000) that customer attitude have the

mediating effect on the relationship between the need for the providing the fast & easier banking service and perceived overall satisfaction. Financial service customers are more sensitive and they are more loyal to the service provider. So, customers have a negative attitude towards the switching from their current bank to another bank, viewing it as a rather useless exercise with many negative consequences. Customers are feeling little dependence on their current bank to particularly handle their financial transaction and account(FARAH, 2017). In this context, another author stated that bank switching behaviour had strong direct and complementary effect on bank loyalty (Moutinho & Smith, 2000). Discussing the above statements, it is concluded that there is a need to establish the deep personal connection with the bank customers to enhance the purchase intent and recommendation of bank to other. So, increase the sales banks will have to invest in listening to customer and develop the product and service as per the customer expectation (Wasan, 2018). Nearly the same results found by Koutsothanassi, Bouranta, & Psomas, (2017) that friendly relation with the bank employee can lessen the fear and insecurity, which might develop feelings of trust and loyalty. So, offering better and differentiated service to customer is costly for firms and affect negatively to the profitability. Higher the service cost restricts banks from serving customers in the best possible manner, leading to dissatisfaction among customers (Sayani, 2015).

5.2 Differential customer's satisfaction on Costumer's perspective

In any service industry customers are the real king, to achieve the organizational goal customer-satisfaction is the most essential asset. According to Taherparvar, Esmaeilpour, & Dostar (2014) the objective of innovation and the organizational performance may not achieve their objective unless they took the advantages of the customer knowledge as an essential source of the competitive advantage. In this context Anderson (1994) stated that data receiving, knowledge development and customer relationship management have an effect on improving organizational performance. Also, data receiving, data processing and customer knowledge development have influence on customer relationship management. On the other hand, data processing has effect on the customer knowledge development and knowledge development has effect on data receiving. Again, he also stated that data receiving, knowledge development and customer relationship have a positive effect on improving organizational performance. Furthermore, Stephen, Mary, Oluremi, William, & Ayodele (2018) stated that Individual – tacit knowledge has a significant effect on customer's satisfaction. So, customer's knowledge regarding product and service is most important factor for the customer's satisfaction. In this context, Padmavathy, Balaji, & Sivakumar (2012) in their study that the effectiveness of customer relationship management depends upon the five dimensions generally organizational commitment, customer experience, process driven approach, reliability and technology

The study of customer's psychology is most important activity of any of the organizational success. No organization can get success in marketing activities without knowing the psychological mind-set of the customer, which is very much true for the customer of the financial services products. Here, an author said that the different attributes differently affect the psychology of different type of customer (Garbarino & Johnson, 2014) . In this context, another study (Markovic, Iglesias, Singh, & Sierra, 2018) also stated that customer percivied ethicality has positive and indirect effect on the customer loyality, through the mediators of customer's affective commitment and customer's percived quality. The above studies shows that for retaining the protential customer, only the understanding of customer's mind-set is not enough for the service marketers, especially for the bankers. There must be a study of other psycological dimensions of customer-satisfaction to retain the respective customers for the long term. A very similar statement is given by AREMU, ADEMOLA, & AREMU, (2017) that banks should not just focus on improving customer's satisfaction but also target on improving customer's perception of overall service quality and simunteniously increasing customer's percived value of the bank.

5.3 Diffential customer's satisfaction marketer's prospective

Customers are the king of any organization because ultimate revinue to organization is generated from the pockets of the custumer. So, customer's trust in the company have the significant effect on the organizational effectiveness (Das, 2018). Here, another study also stated the same thing that a high degree of trust and social bonds implies customer-satisfaction, which enhances customer's willingness to make recommmendation, creating a realistic basis for attacting new clients (Marinkov & Obradovi, 2015). Therefore attracting the new customer and maintaining the trust among the existing custumer is very important to sustain in the market. In this context a author stated that the to maintain the loyal base customer, it need to establish the customers trust (Khan et al., 2015). Similar statement is given by an other author that customer-trust is an external factor that is extensively cited as one of the most importat perdictor of customer's intention and adoptation of online baniking channel (Alalwan, Dwivedi, & Rana, 2017). Basing upon the above statement an other author also stated that the customers are more concern about service carecteries such as reliability of company, the empathy of its employee and the quality of interaction between the employee and customer's (Khan, Ferguson, & Pérez, 2015).

6   RESULTS & DISCUSSION

As it is an obvious thought that the satisfied customer can be retained by the marketer, if the level of satisfaction and the intended retention capacity can be co-related. Taking this fact as the background, the fundamental assumption of the present study refers that the customer's satisfaction incrementally increase or decrease (differential customer satisfaction), for the same customer being provided by the services of a particular service provider, the banking service in the current study.

Most of the time marketers try to change their services to offer a level of service-quality, which will improve the level of customer's satisfaction and in turn they will retained with the same service provider. The services purposefully changed or upgraded by the marketer (particular bank in the present study) to take the customer's from a particular level of satisfaction to another level of satisfaction, which may not serve the customer as it is intended by that bank. That means the incremental change in satisfaction may go upward or may go downward. So, it is the prime duty of the service provider to judge how much the satisfaction level has been increased or decreased with respect to the changes or variations in services provided by the concerned bank. In this conjecture, the answer must be provided to the question that the incremental change should go to which level of customer's satisfaction to retain certain customer? In this conjecture, the answer must be provided to the question that the incremental change should go to which level to retain a customer? The incremental change in customer's satisfaction with respect to the time and purposeful change in service is proposed as "differential customers' satisfaction" in the present study.

It may happen that even after going to the higher level satisfaction, the intended magnitude of customer-retention is not fruitful because of biasness in decision making in the customer's mind. So, the customer's biasness is proposed to have a moderate the effect between differential customer-satisfaction and the customer-retention. That means, the differential customer- satisfaction cannot have its total impact on customer-retention. Thus, the essential cause & effect relationships to devise the strategies for the customer-retention is logically proposed through the above model. The above claim of this study have been substantiated by the literatures. Differential customer-satisfaction is the result of changes in the knowledge of customer and the dynamism of customer psychology under the dimension of "customer's perspective"; under the dimension of marker's perspective, trustworthy towards the bank, service encounter of the bank and promotional efforts by the bank; and costumer's location, available alternatives and sudden economic changes in the market under the dimension of "market prospective". Differential customer satisfaction leads to certain probability of customer-retention, while talking about the same customers with the banking services by the same marketer (particular bank).
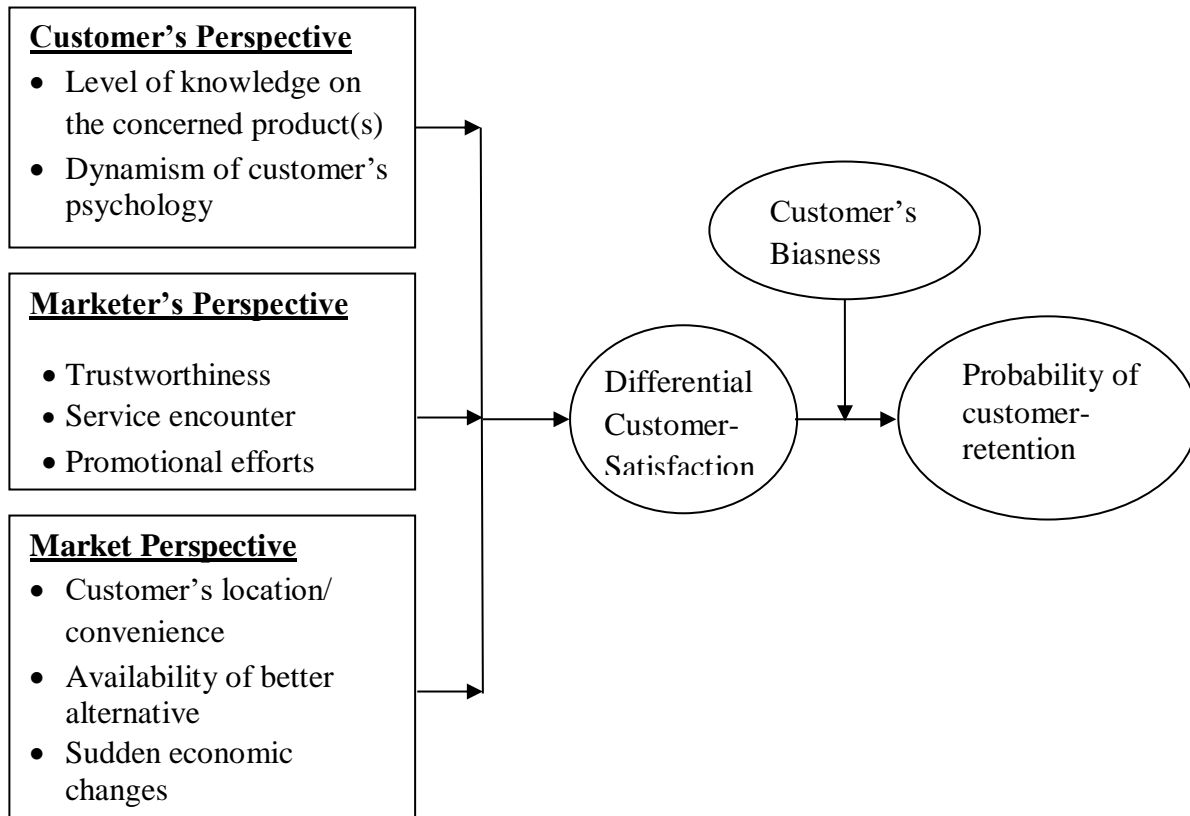
Fig.-1: Deferential customer-satisfaction, the determinant of probability of customers-retention

7. FINDINGS

Differential customer satisfaction has the ability to establish certain probability of customer-retention. Here, the differential customer satisfaction can be explained as the gradual increase / decrease (incremental change) of satisfaction of the customers of a particular product. The differential customer-satisfaction is driven by three major dimensions such as customer's perspective (Level of knowledge on the concerned product(s), Dynamism of customer's psychology), marketer's perspective (Trustworthiness, Service encounter & Promotional efforts), and market perspective (Customer's location/ convenience, Availability of better alternative & Sudden economic changes).

The degree to which differential customer-satisfaction varies, to that degree retention of concerned customer along the brand or product or marketer, do vary. That means, certain probability of customer's retention is ascertained with respect to the differential customer-satisfaction.

However, the absolute strength of differential customer-satisfaction does not translate into certain probability of customer's retention as the biasness of concerned customer has the nature of moderating the effect of 'differential customer-satisfaction' on the customer-retention. So, the nature this moderator also need to be incorporated in the relevant strategies by the marketers.

8. CONCLUSION

By analyzing logical relationships of previous research findings, a theoretical model is proposed. Here, the proposed model is focusing on differential customer-satisfaction, which is justified to be developed by three dimensions such as customers' prospective, marketers' prospective and the market prospective. The deferential customer-satisfaction develops certain probability of the customers' retention as the underlying variables of above said three dimensions. Again, the existence of moderating effect of customers' biasness in the relation between the deferential customers-satisfaction and probability of customer-retention is also proposed in the model that justify the originality or contribution of this study. So, banks should strategies the above said three dimensions to bring certain level of customers-retention.

8.1 LIMITATIONS AND THE WAYS TO OVERCOME

This study is based up on the logical arguments within the reviews of past literatures, but the empirical evidences can judge the proposed relationships shown in the model with a better applicability. Discussion with the relevant executives or the opinion of decision makers of the banking industry would have given an in-depth idea regarding customer-retention and its preceding stages, which is lacking in the present study.

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EFFECT OF EXPERIENTIAL MARKETING ON POST PURCHASE INTENTION IN THE FINE DINING RESTAURANT INDUSTRY IN WESTERN PROVINCE, SRI LANKA.

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Abstract

The fine-dining industry is a growing service industry globally as well as locally. Beyond food, fine-dining delivers customers with a pleasurable social activity and a dining experience.

This industry has made a remarkable growth in Sri Lanka especially with the entry of international hotel chains to the country offering fine dining at a superior level. The key concept adopted in those fine dining restaurants is experiential marketing where guests who are delighted with their fine dining experience are likely to make a post purchase.

The purpose of this study is to identify the Effect of Experiential Marketing on Post Purchase Intention in the Fine Dining Restaurant Industry in Western Province, Sri Lanka.

The study identified that Sense, Feel, Think and Relate dimensions of Experiential Marketing individually influence Post Purchase Intention. Findings of this research will contribute to the Sri Lankan academia since there has been no research conducted on Experiential Marketing and Post Purchase Intention in the Fine Dining Restaurant Industry in Sri Lanka.

Keywords: Post Purchase Intention; Experiential Marketing; Fine Dining Restaurant Industry

I. INTRODUCTION

The idea of customer-experience arose in the-1980's as a new method of understanding consumer behaviour. Customer experience is explained as the interactions between a consumer and an organisation during their business relationship. Holbrook and Hirschman (1982) conceptualised consumption to incorporate experiential characteristics. In the 1990's Pine & Gilmore (1999) explained 'experience' as a new economic concept. Gentile et al. (2007) clarified that customer experience instigates from a set of communications amongst a product and a customer or an organisation. Consumer experience is not a secondary value but an indispensable and intrinsic value where the products and services were understood from the consumer's point-of-view as those provided by the company and the brand. The goal of marketing, which creates Customer experience (Experiential marketing), was not to provide products and services as tangible objects to customers, but rather to take the aspect of consuming in the framework of the customers' lifestyles and to interpret their consumption by being attractive to their senses and feelings in the process.

Fine dining restaurants are dining establishments which provide food and service of the highest quality. A fine dining restaurant not only provides a meal, but an experience. Higher income earners may choose fine dining restaurants because they depict images or meanings that provide social value for them (Mill, 2004). In the year 1765, Boulanger, a soup seller, opened the first restaurant in Paris (Blau, 2015). Following the end of the French Revolution in the 18th Century, unemployed chefs from noble households started opening their own restaurants which led to the birth and subsequent growth of the fine dining restaurant industry.

According to Mishra (2016), dining out has grown substantially in Sri Lanka. The increasing popularity of dining out is driven by tourism and Sri Lanka's relatively young population. According to the Department of Census and Statistics, in 2016 the average Sri Lankan household spent 34.8 percent (LKR 19,140) of monthly household income on food which is the highest percentage of income spent on a need. Consumer preferences are also broadening with more Sri Lankans wanting to try out international cuisines and flavours. According to Central Bank of Sri Lanka (2016), the number of hotels and restaurants have increased from 1,612 (2015) to 1,692 (2016).

'Multisensory' or 'Experiential' restaurants have become universal, with the objective of these restaurants providing dining as an immersive experience. Charles Spence[1] states that taste is "something that occurs in the mind rather than the mouth." Thus, the satisfaction of food is always affected by the surroundings (Ballard, 2018). Spence states that multisensory restaurants have "a better chance of being memorable", which may lead to repeat purchases. Besides, studies show that 75 percent of individuals are willing to pay more for extraordinary dining experiences (Ballard, 2018).

The Sublimotion restaurant in Ibiza, Spain, produces a 20-course multisensory meal that costs $1,835 per person. Although food is at an extremely high standard, customers also pay for the opportunity of witnessing an edible form of Gustav Klimt's "The Kiss" painted on the table. Head Chef Paco Roncero stated that the reason for this price tag is because it is "the cheapest life-changing experience a person can have." At Parlour restaurant in West London, explanations are made about the food items to complement the dishes and theatrical music is played through the guests' headphones. According to Head Chef Jesse Wood, the food is an important, but only a single component of the dining experience (Ballard, 2018).

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[1] Professor of Experimental Psychology at the University of Oxford and the author of Gastrophysics: The New Science of Eating

Existing research related to experiential marketing, customer satisfaction, perceived value and perceived quality have been focused on the United States, Hong Kong, China, Korea and Europe (Kim et al, 2009; Maghnati et al, 2012; Ryu and Han, 2010; Zena and Hadisumarto, 2012).

Furthermore, there has been very limited research on Experiential marketing in the Sri Lankan context. Liyanage (2008) attempted to place Experiential marketing within a certain framework. Rathnayaka (2017) discussed the relationship between Experiential marketing and consumer satisfaction in the Online Fashion Stores in Sri Lanka where results showed that Experiential marketing has a significant effect towards customer satisfaction. Kodagoda and Wijenayake (2016) researched on how Experiential Marketing affects Purchase Intention and results showed that there is a strong relationship with the two constructs. Hansika and Kumara (2017) attempted to identify the Impact of Experiential Marketing on Customer Satisfaction in Fast Food Restaurants where it was concluded that customer satisfaction and experiential marketing variables are positively related.

This research was conducted on the Effect of Experiential Marketing on Post Purchase Intention in the Fine Dining Restaurant Industry in Western Province, Sri Lanka and it would contribute to both local and global literature. Especially in the Sri Lankan context where there is little to no research on experiential marketing in the fine dining restaurants as a whole. Therefore, conducting this research will open a whole new avenue for future researchers to explore these concepts.

Moreover, in theoretical terms, this research could be useful for other researchers who seek to evaluate consumer retention and post purchase intention based on the impact of experiential marketing and creating experiential value.

In practical terms this study can provide various insights into the use of the experiential marketing towards improving the post purchase intention to the restaurateurs. Besides that, this research is specific for the restaurant sector. Further, some outcomes might be helpful for the future studies on hospitality industry.

Restaurant industry can use the outcomes of this research to further improve their services by finding out what exactly the customers want by catering their business accordingly. Consequently, they can improve every aspect and dimension of experiential marketing to guarantee that the customers get a holistic and a total restaurant experience and thereby can edge out their competitors.

Therefore, it was deemed ideal to conduct a research on the Effect of Experiential Marketing on Post Purchase Intention in the Fine Dining Restaurant Industry in Western Province, Sri Lanka.

II. LITERATURE REVIEW

A. Experiential marketing

Experiential Marketing Association (2011) states that experiential marketing "allows consumers to participate and interact with brands, products, and services in sensory ways". Holbrook and Hirschman (1982), stated that experiential marketing is a mix of fantasies, feelings and fun. The notion of experience has been extensive in the marketing literature in diverse contexts involving brand experience, consumption experience, product experience, shopping experience and service experience (Brakus et al., 2009; Zarantonello and Schmitt, 2010). It is usually believed that today's consumers not only buy products or services centred on their functional usage but also consider their experience with the products/services offered (Ueacharoenkit).

Smilansky (2009) defines experiential marketing as a change from one-way communication to two-way communication, when the brand arouses personality and generates additional value for customers. Additionally, a 'good experience' is memorable, pleasurable, extraordinary (de Farias et al., 2014) and permits the consumer to exploit all his/her senses (Pine and Gilmore 1999; Schmitt, 1999).

The consumption of food with the basic requirement of satisfying hunger (e.g., consumption of ready-to-eat food) is motivated mainly by utilitarian (functional) reasons. However, consumption of leisure services (e.g., fine dining) is largely driven by hedonic (emotional) reasons (Lin, 2004; Ryu & Jang, 2007). Hedonic aspects of consumption behaviour focus on the consumption experience (Babin et al., 1994; Wakefield & Baker, 1998), thus establishing the requirement for entertainment and emotional worth. Josiam & Henry (2014) further emphasise this by stating that people are driven not just by utilitarian motivations (such as a good meal), but also by hedonic experiences (unique experience) while dining.

Measurement of Experiential Marketing – Strategic Experiential Model (SEM) model – Schmitt (1999;2010)

Strategic Experiential Model (SEM) is an integrative process which targets to deliver value to customers by producing information, service and interaction with them at every touch point. Therefore, it forms loyalty to the customers and value to the company (Schmitt, 2010).

Based on the strategic framework for managing experiences, Schmitt (2010) categorised experiential marketing into five types.

Table 1: Components of SEM

Sensorial Component (Sense)	Applies to the senses with the aim of attaining sensory observations, via sight, sound, touch, taste and smell
Emotional Component (Feel)	Links to the emotions and feelings of the consumers
Cognitive Component (Think)	Questions the intelligence of the consumer and creates experiences that includes consumer creativity through surprise, intrigue and provocation
Pragmatic Component (Act)	Targets the physical experiences of the consumers presenting them with different lifestyles and interactions
Relational Component (Relate)	Unites all other above-mentioned experiences of experiential marketing, such as Sense, Feel, Think, and Act

B. Post purchase intention

Post-purchase intentions can be explained as customers' intentions to repurchase products or services from the same vendor and spread their experience of purchasing and using the product or service to others (Zeithaml et al., 1996; Wang et al., 2006). Post purchase intention is generally used as a predictor to determine whether consumers could be long-term customers and bring steady profits to a business (Chen and Chen, 2005).

Post-purchase intentions can be classified into economic behavioural intentions and social behavioural intentions (Smith et al., 1999). Economic behavioural intentions denote to customers' behavioural reactions in the financial aspect, such as repurchase intention (Netemeyer, 2003). Repurchase intention is a representation of customer loyalty, which is vital if the retailer is to succeed (Kim & Son, 2009). While social behavioural intentions refer to cognitive reactions of customers to the distribution of services of service providers, such as complaining behavioural intentions (Tax et al., 1998) and word-of-mouth communication intentions (Kuo et al., 2012).

Measurement of post-purchase intention - Kuo et al., (2009; 2011)

In order to measure post purchase intention in this study, the approach taken by Kuo et al. (2011) would be used. This method has been used by researchers to measure post purchase intention of consumer in both the telecom industry (Kuo et al., 2009) and online shopping websites (Kuo, 2011).

Empirical findings on the relationship between Experiential Marketing and Post Purchase Intention and the Critical Review of literature

A study done by Sebopa (2017) on identifying Experiential marketing as a predictor of post purchase intentions of smartphones, showed that Experiential marketing and post purchase intention does have a positive relationship where sense marketing had the highest influence on customer satisfaction and post purchase intention.

According to a study done by Chih-Yun (2009) who studied repurchase intentions in experiential marketing based on Franchise restaurants identified that sense experience had impacts on satisfaction and repurchase intention. Furthermore, it was also found that Taste Experience & Smell Experience had stronger impacts than Visual (See Experience), Feel (Touch Experience) & Auditory (Hear Experience) on customer satisfaction and Repurchase Intention.

Furthermore, in a research conducted by Ryu & Han (2010), on the Influence of Physical Environment on Disconfirmation, Customer Satisfaction, and Customer Loyalty for First-time and Repeat Customers, it was identified that repeat customers would base their opinion of the overall dining experience, on how the atmosphere (i.e. facility aesthetics, lighting, table settings, and service staff) made them feel. Moreover, facility aesthetics had the strongest impact on disconfirmation, suggesting that restaurateurs should pay substantial attention to their facility aesthetics (physical environment) to retain repeat customers.

However, this was contradictory to Suhaily and Soelasih (2017) who conducted a study on the factors which affect the Repurchase Intention of Online Shopping where it was identified that there is no influence of experiential marketing on repurchase intention. The reason for this was identified because consumers who make online purchases do not need any experiential marketing. However, it was identified that customer satisfaction has a positive effect on the repurchase intention, indicating that when consumers are satisfied they are more likely to make a repeat purchase. Therefore, the satisfaction became the base for consumers to make repeat purchases and satisfaction needs to be a concern for online shopping.

Conferring to the study conducted by Nigam (2012) based on how experiential marketing affects post purchase intention, experiential marketing is an important driver that can influence experiential value and post purchase intention in quick service chain restaurants. Experiential marketing (Sense, Feel, Think, Act and Relate of the consumers) would influence the post purchasing intention of the consumers. If the consumer has a memorable experience with the restaurant, then the post purchasing intention would be higher. On the other hand, if the consumers do not have a good experience with the restaurant, the post purchasing intention of the consumers would

decrease. It was also concluded from the research study that increased experiential value would lead to positive post purchase intention and future purchase intention in quick service restaurants. The results were in support of Schmitt (1999) and Zeithaml et al. (1996).

Table 2: Critical Review

Authors	Theories applied	Main Findings
Nigam (2012)	Experiential Marketing Dimensions – Sense, Feel, Think, Act, Relate	All dimensions of Experiential Marketing (Sense, Feel, Think, Act, Relate) affects Post Purchase Intention.
Sebopa (2017)	Experiential Marketing Dimensions – Sense, Feel, Think, Act, Relate	All dimensions of Experiential Marketing (Sense, Feel, Think, Act, Relate) affects Post Purchase Intention.
Ryu & Han (2010)	Experiential Marketing Dimensions – Facility Aesthetics, Lighting, Table Settings, Service Staff	Repeat customers would base their opinion of the Overall Dining Experience.
Chih-Yun (2009)	Experiential Marketing Dimensions – Sense, See, Touch, Hear, Taste, Smell	All 6 dimensions had positive impacts on Satisfaction and Repurchase Intention. And Taste & Smell had a stronger impact on Repurchase Intention than See, Touch & Hear.
Suhaily and Soelasih (2017	Experiential Marketing Dimensions – Sense, Feel, Think, Act, Relate	All dimensions of Experiential Marketing (Sense, Feel, Think, Act, Relate) do not affect Post Purchase Intention with respect to Online Shopping.

Therefore, based on the above literature, the following hypothesis have been developed in order to find the impact of Experiential Marketing on Post Purchase Intention in the Sri Lankan context in order to find out whether the results will follow a similar pattern in Sri Lanka.

H1 – Sense marketing positively influences Post Purchase Intention

H2 – Feel marketing positively influences Post Purchase Intention

H3 – Think marketing positively influences Post Purchase Intention

H4 – Act marketing positively influences Post Purchase Intention

H5 – Relate marketing positively influences Post Purchase Intention

III. METHODOLOGY

Based on the hypotheses that were developed in the previous sections which have been developed based on literature, the following conceptual framework has been developed.
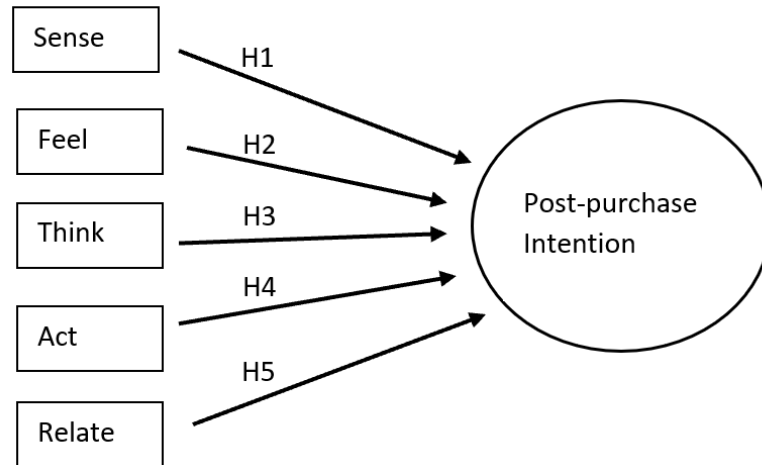

Figure 1: Conceptual Framework

The research adopted a 'Positivism' research philosophy; which is the study of an observable reality where the end product of such research can be law-like generalisations

identical to those generated by physical and natural scientists (Saunders, Lewis & Thornhill, 2009), as the study aims to engage in empirical research and make widespread use of quantitative analysis. This is expected to produce better results and can offer effective conclusions. Furthermore, a deductive reasoning approach was selected since all the variables and dimensions have been formulated based on the existing literature and therefore been used to formulate a set of hypotheses and finally attempt to draw conclusions.

The research would be adopting a Mixed method design where a combination of quantitative and qualitative methods will be used. Additionally, this research will be an Explanatory mixed method design with quantitative techniques getting the prominence. A survey strategy has been used to gather the quantitative data whereas semi structured interviews were used to gather the qualitative data. The age category of the research sample (16 years and above) were decided based on the preliminary discussions with the restaurant managers who have observed that, it is the youngest age where people come to enjoy fine dining. Further, convenience sampling was selected as the sampling method to gather data.

The questionnaire for fine dining restaurant customers consisted of questions testing the personal characteristics, experiential marketing and post purchase intention, where questions were on the five-point Likert scale with answers ranging from 1 (Strongly disagree) to 5 (Strongly agree). A high score for any question indicates a high level of each indicator tested. The target population for the quantitative study were fine dining restaurant customers above 16 years in Western Province, Sri Lanka. Findings from the quantitative analysis were followed up with semi structured interviews with 4 senior level employees from 4 fine dining restaurants. The operationalization of the variables is depicted below.

Table 3: Operationalization & Coding of the Independent Variable (Experiential Marketing)

Dimensions of Experiential Marketing	Indicators	Coding	Authors	Measurement scales
Sense	Place of the restaurant Design and the decoration of the restaurant Comfortable seating Taste of food and beverages Smell of food and beverages	SENSE1 SENSE2 SENSE3 SENSE4 SENSE5	Schmitt (1999)	5 Point Likert Scale 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree
Feel	Impact of restaurant performance on the mood Emotional mood Level of overall performance Ease of interaction (in terms of general activities) Stimulation of feelings and emotions.	FEEL1 FEEL2 FEEL3 FEEL4 FEEL5	Schmitt (1999); Gentile et al. (2007); Barkus et al. (2009); Maghnati et al. (2012),	
Think	Uniqueness of the restaurant Curiosity about the restaurant features Stimulation of imagination Thinking of the restaurant Intrigue about the cuisine	THINK1 THINK2 THINK3 THINK4 THINK5	Barkus et al. (2009); Schmitt (1999)	
Act	Restaurant's reflection on Lifestyle Alternative way of life Activities done by the customer Behaviour Status in the society	ACT1 ACT2 ACT3 ACT4 ACT5	Maghnati et al. (2012); Schmitt (1999), Gentile et al. (2007)	
Relate	Relationship with others Enhancing personal relationships Promoting social relationships Being a part of the community Importance of consuming in the selected restaurant	RELATE1 RELATE2 RELATE3 RELATE4 RELATE5		

Table 4: Operationalization of the Dependent Variable (Post Purchase Intention)

Indicators	Authors	Measurement scales
Future dining with family/relatives/friends. Recommendation of this restaurant Repurchase from this restaurant in the future. Overall experience Repeat purchases because of the positive attitude Excellence in cuisine	Zeithaml et al. (1996); Cronin et al. (2000); Wang et al. (2004); Kuo et al. (2009)	5 Point Likert Scale 1= Strongly Disagree 2= Disagree 3= Neutral 4= Agree 5= Strongly Agree

IV. DATA ANALYSIS

A. Descriptive statistics for the sample profile

Using a convenience sampling approach, 250 responses were obtained from the sample. The demographic profile of the sample was analysed by observing the personal details of the fine dining restaurant customers.

Table 5: Demographic factors (Researchers constructed)

Variable	Characteristics	n	%
Gender	Male	107	43%
	Female	143	57%
Age	16 - 27 years	84	33.6%
	28 - 37 years	94	37.6%
	38 - 47 years	54	21.6%
	48 - 57 years	14	5.6%
	58 years and above	4	1.6%
Current Occupation	Student	42	16.8%
	Administrator	42	16.8%
	Executive	29	11.6%
	Manager	44	17.6%
	Professional	65	26.0%
	Self-Employed	25	10.0%
	Unemployed	3	1.2%
Highest educational level	Advanced Level	31	12.4%
	Professional Qualification	90	36.0%
	Undergraduate	77	30.8%
	Post Graduate	52	20.8%

Household Income	Less than Rs 60,000	45	18.0%
	Rs 60,001 - Rs 100,000	32	12.8%
	Rs 100,001 - Rs 150,000	67	26.8%
	Rs 150,001 - Rs 200,000	33	13.2%
	Above Rs 200,001	73	29.2%
Fine Dining consumption rate	Weekly	36	14.4%
	Monthly	120	48.0%
	Occasionally	94	37.6%
Preferred Cuisine*	French Cuisine	30	6%
	Italian Cuisine	116	22%
	Western Cuisine	127	25%
	European Cuisine	48	9%
	Middle Eastern Cuisine	31	6%
	Asian Cuisine	130	25%
	Sri Lankan Cuisine	35	7%
Media*	Television	1	0.3%
	Radio	3	0.8%
	Social Media	173	47.4%
	Websites and Apps	188	51.5%
Preferred Restaurant	The London Grill	45	18%
	The Gallery Café	31	12.4%
	Ministry of Crab	25	10%
	The Lagoon	22	8.8%
	The Brasserie	19	7.6%
Average Spending	Less than Rs 1000	13	5.2%
	Between Rs 1001 - 2000	60	24.0%
	Between Rs 2001 - 3000	75	30.0%
	Between Rs 3001 - 4000	68	27.2%
	More than Rs 4001	34	13.6%

*these questions gave the respondents the opportunity to select multiple options, therefore in order to calculate the percentages the cumulative *n* has been taken. Therefore, the answers are **not** mutually exclusive.

B. Reliability and validity testing of the variables

As the initial step, the dimensions of Experiential Marketing were tested for Unidimensionality by performing a factor analysis. The results implied that the responses can be grouped into the 5 dimensions which are Sense, Feel, Think, Act and Relate.

Table 6: Factor Analysis

Rotated Component Matrix^a

	Component				
	1	2	3	4	5
SENSE5	.858				
SENSE1	.800				
SENSE2	.796				
SENSE4	.678				
SENSE3	.653				
FEEL2		.804			
FEEL3		.767			
FEEL1		.663			
FEEL5		.549			
RELATE3			.885		
RELATE2			.848		
RELATE4			.592		
THINK4				.783	
THINK3				.744	
THINK5				.699	
THINK2				.552	
ACT1					.743
ACT5					.724
ACT4					.705
ACT2					.622
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 6 iterations.					

The questions based on the following indicators were removed due to the fact that they failed to achieve the standard values.

Table 7: Removed indicators from the study

Dimension	Code	Indicator
Act	ACT3	Activities done by the customer
Think	THINK1	Uniqueness of the restaurant
Feel	FEEL4	Ease of interaction (in terms of general activities)
Relate	RELATE1	Relationship with others
Relate	RELATE5	Importance of consuming in the selected restaurant

The convergent validity of a construct can be ensured by having the Average Variance Extracted (AVE) of the construct greater than 0.5 and Composite Reliability of each construct greater than 0.7. The discriminant validity can be proved by having the AVE of each construct greater than the highest squared correlation with any other underlying construct (Hair et al, 2011). Further, Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO) and Bartlett's test of Sphericity are two methods which are applied to test the factorability of data. KMO values above 0.5 indicate acceptable levels of factorability of data. The reliability of the measurements can be accepted as good if the Cronbach's Alpha is greater than .07 (Sekaran & Bougie, 2016).

The results of the study as shown in the tables 3 and 4 indicate that the independent and dependent variables were well within the parameters for reliability and validity.

Table 8: Discriminant Validity measurement (Researchers constructed)

Correlations		Sense	Feel	Think	Act	Relate	Post Purchase
Sense		AVE= 0.50					
Feel	Pearson Correlation	.624	AVE= 0.61				
	Squared correlation	0.390					
Think	Pearson Correlation	.308	.441	AVE= 0.62			
	Squared correlation	0.095	0.194				
Act	Pearson Correlation	.040	.285	.361	AVE= 0.57		
	Squared correlation	0.002	0.081	0.131			
Relate	Pearson Correlation	.302	.401	.427	.458	AVE= 0.68	
	Squared correlation	0.091	0.161	0.182	0.210		
**. Correlation is significant at the 0.01 level (2-tailed).							

Table 9: Convergent Validity measurement (Researchers constructed)

Variable	KMO	Bartlett's tests of sphericity	AVE	CR	Cronbach's Alpha
Rule of thumb	>0.5	Sig.<0.05	>0.5	>0.7	>0.7
Experiential Marketing					
Sense	.786	X2= 522.261 Sig = 0.000	0.60	0.88	.831
Feel	.716	X2= 233.811 Sig = 0.000	0.56	0.83	.717
Think	.709	X2= 204.942 Sig = 0.000	0.54	0.82	.712
Act	.711	X2= 245.806 Sig = 0.000	0.56	0.83	.709
Relate	.662	X2= 281.977 Sig = 0.000	0.61	0.87	.804
Dependent Variable					
Post Purchase Intention	.887	X2= 1306.661 Sig = 0.000	0.74	0.94	.921

C. Testing Hypotheses

In order to identify the relationships between Experiential Marketing and Post Purchase Intention, a combination of Pearson's correlation test and Regression Analysis have been done.

Table 10: Hypotheses testing (Researchers constructed)

Hypothesis	Variable	Pearson Correlation		Regression analysis			Results of the Hypotheses
		Pearson Coefficient	Significance	R Square	Adjusted R Square	F Value	
H1	Sense	.316	.000	.100	.096	27.579	Supported
H2	Feel	.414	.000	.171	.168	51.325	Supported
H3	Think	.203	.000	.041	.037	10.626	Supported
H4	Act	.000	.995	.000	-.004	.000	Rejected
H5	Relate	.353	.000	.125	.121	35.362	Supported

Statistical tools of Pearson Correlation and Regression Analysis were used to measure the impact of Experiential Marketing on Post Purchase Intention in the fine dining industry in Western Province, Sri Lanka. Furthermore, it was discovered that four out of the five independent variables could be used as predictors for Post Purchase Intention. The independent variables that could be used as predictors were Sense, Feel, Think and Relate. The independent variable Act was the only variable that could not be used as a predictor for Post Purchase Intention as there was no significant correlation between perceived Act and Post Purchase Intention.

Additionally, interviews were conducted with several restaurant managers who stated that certain components in experiential marketing such as the Sensorial component were vital for restaurants if they want to stay competitive in the market.

These results were in accordance with the results obtained by Sebopa (2017) Ryu & Han (2010), Azize, Cemal & Hakan (2012) where it was identified that there is a positive relationship between experiential marketing and post purchase intention as a whole. Most of these researches discuss how the sensorial component is one of the main influences of experiential marketing which can be seen in this research where sensorial component has a positive relationship with post purchase intention.

Furthermore, Customers re-visit a restaurant only when their expectations are met. They will also recommend restaurants to others only when they are sure of a positive meal experience. Therefore, customers who have been satisfied with the meal will recommend the restaurant to others as well as revisiting it.

Additionally, according to Nigam (2012) and Chih-Yun (2009), it was identified that all the dimensions of experiential marketing (sense, feel, think, act and relate) have a positive relationship with experiential marketing. However, the researcher observes that Act does not have a relationship with post purchase intention, which goes against the findings of Nigam (2012) and Chih-Yun (2009)

Even though fine dining restaurants have grown in Sri Lanka in recent times, it still hasn't reached the level of some of the Western or even the developed countries in Asia. The traction is still getting to Fine Dining restaurants where more and more people are exploring these kinds of restaurants. Therefore, it still is not a major part of an individual's lifestyle. Thus, it can be argued that the hypothesis made, based on literature which stated that Act has a significant impact on Post Purchase Intention, should be rejected depicting that there is no relationship present between the two variables.

Accordingly, it can be stated that at present, consuming food from fine dining restaurants does not have an impact on the Act Dimension which encapsulates the Social Status and the Lifestyle of an individual. However, it has to be kept in mind that, this situation may differ in the future.

D. Qualitative findings

A semi structured questionnaire was formulated in order to gather the qualitative information. A series of semi-structured interviews were conducted with 4 senior employees of fine dining restaurants in Western Province, Sri Lanka. Judgemental sampling was used in order to identify the individuals that were considered for the interview based on their industrial experience. The interview findings were analysed thematically.

The coding of the Informal Interviewees is as below.

Table 11: Summary of Interviewees (Researchers constructed)

Sample ID	Restaurant and the background of the interviewer
R1	Harbour Court by The Kingsbury – Employed at The Kingsbury for more than 10 years.
R2	The London Grill – Has been working in the fine dining industry for more than 6 years. Employed at The London Grill over the past 4 months
R3	Il Ponte by Hilton – Employed at the Hilton Colombo for 5 years
R4	Café Français – Has been working in the dining industry for about 5 years. Employed at Café Français for the last 2 years

Restaurant managers' perception about the Dining Environment and Experiential Marketing

According to the responses obtained from the interviews, it was identified that senior employees of fine dining restaurants understood that the dining environment is very important for a good dining experience. This was explained by, R4 who stated that,

"The moment the customer enters through our doors, it is our duty to ensure that he/she has a good time. Our job does not start and finish from just the food, it begins when he/she enter through our doors."

Therefore, it is clear that employees understood the importance of the entire dining experience and not just the food. According to the responses, every restaurant pays special attention to the ambience, music, smell, etc. of the restaurant. For example, at the London Grill, smooth jazz and/or classical music plays through their speakers to complement their European theme of the food. Similarly, restaurants regulate their environment according to the cuisine that they serve in order to give a holistic dining experience.

Post Purchase Intention of consumers

R3 stated "I love my job because I like the happy and satisfied faces I see after a good meal. And I also see a lot of familiar faces who come back to the restaurant. We talk and interact with one another and what most of them say is, they came back to the restaurant to enjoy a good dining experience."

It was identified that the restaurant staff periodically talk to their customers to find out the whole dining experience has been so far. All the fine dining restaurant managers that were interviewed staed that they have feedback cards and comments sheets which allow customers to voice their issues and compliments regarding the restaurant. However, according to R4, comment cards have certain limitation. He articulates,

"Talking to customers and asking how they're doing is essential because they wouldn't write everything on the comments card. And in my experience, talking to customers will create a personal bond between us which will enable them to be more open with us. I have also noticed that most of the customers prefer when we're more open and interact more with them"

Furthermore, when employees interact with the customers, they tend to be more honest and are likely to express their true impression of the restaurant. Additionally, something that was noticed by R1 and R3 is that, even if the customers were dissatisfied with certain aspects of their dining experience, they were grateful when employees came and spoke to them regarding the positives and the negatives of the restaurant. Moreover, customers were certain that the next time they visited the restaurant, the restaurant would do everything in their power to improve their shortcomings which is a positive note for the restaurant. Furthermore, According to R1, one customer stated, "I spend a lot of time here because of business and pleasure, and every time I come here, I feel very comfortable because it's like a part of my house now. Everything is so relatable and familiar."

Nonetheless, what all the interviewees emphasised was the fact that that customers make repeat purchases not just because of the food or the discounts or any physical incentives, but because they enjoy the entire dining experience that the restaurant provides.

V. CONCLUSION

This study revealed that there is a significant relationship between the independent variables of Sense, Feel, Think and Relate and the dependent variable of Post Purchase Intention. The researchers mainly proved these through a quantitative analysis which is supported by qualitative findings.

This research shed light onto an emerging area of interest within Sri Lanka's academia. Since there were no previous studies carried out on the Effect of Experiential Marketing on Post Purchase Intention in the Fine Dining Restaurant Industry in the local context, this study can be considered very significant. However, this study merely opened the path for future researches. For example, research can be carried out in a different service industry where experience plays a pivotal role such as airline industry or tourism industry. Additionally, research can be conducted considering moderating variables such as age levels to gain an understanding on the consumer behaviours based on age levels, since the research identified that young people are a budding segment in the industry. Moreover, future research could integrate some other variables, such as company image, service quality, customer loyalty, brand value, etc which could provide practical implications.

Accordingly, the findings and recommendation of this study provides an opportunity for existing and potential restaurants in the fine dining industry to acquire 'proactive'action in accordance with these findings as opposed to a more traditional 'reactive' approach' in terms of understanding consumer behaviour.

Assumptions and limitations of the study and Areas of Future Research

Certain limitations and assumptions were considered when conducting this research. First and foremost being that, this survey was conducted requesting respondents to remember their last visit to a fine dining restaurant. However due to fresh memory and recent experiences respondents should be questioned right away when leaving the restaurant. In such manner, results would not be misinterpreted, and the population may be represented better.

Furthermore, the convenience sampling technique (which is a non-probability sampling method) was utilized in the selection of the sample and as such, the general applications of these findings may be restricted to certain establishments.

Only fine dining restaurant customers who are resident in the Western Province of Sri Lanka have been selected for the study which has limited the scope of the sample. Also, the sample was restricted to 250 responses Additionally, the study was mainly focused on quantitative aspects and featured limited amount of qualitative aspects which have also limited the scope of the study.

The study was only conducted regarding fine restaurant dining customers in the Western Province of Sri Lanka therefore its applicability on a global scale is somewhat questionable due to the wide range of political, economic, socio-cultural and technological factors that need to be given due prominence.

Furthermore, the following areas of future research can also be looked at by future researchers. Research could integrate some other variables, such as company image, service quality, customer loyalty, brand value and etc. It would provide more practical implications for managers as the applications of marketing of fine dining has expanded rapidly.

A similar research can be conducted in a different field/industry in order to assess the Effect of Experiential Marketing on Post Purchase Intention.

Additionally, this study mainly focused on the quantitative approach of data collection. However, qualitative data was also collected in order to further reinforce the quantitative findings. A research purely on the qualitative aspect on the same topic can be conducted, where information would be more reliable, although a qualitative study will be very time consuming, given that a researcher would have to individually interview a large number of Fine Dining consumers in order to gain a truly representative set of data.

It was identified that young crowd between the ages of (16 and 27) are slowly getting into the whole fine dining scenario. Therefore, a research conducted to find their consumption patterns and how they view experiential marketing could be done to measure their post purchase intention.

VI. RECOMMENDATIONS

A. Build a personal relationship with the customer

Customers dine at fine dining restaurants mainly to experience a holistic dining experience and not just to eat food. Moreover, fine dining restaurants are comparatively more expensive than regular restaurants, therefore it is vital that restaurant provide an extraordinary dining experience. Therefore, the researchers articulate that one of the best ways to improve the post purchase intention is to build long lasting customer relationships. This was identified during the qualitative part of the research where respondents were happy when the managers/servers interacted more with the customers.

One of the techniques that the restaurant can utilise is to talk to the customer about the cuisine and the roots, and the history of the cuisine. This will be more effective if done by the server/waiter and can be used to build rapport between the customer and the server. This will enhance the knowledge of the customer about the cuisine and the food that they are consuming, and the consumer will be grateful for the knowledge he/she is receiving. Further, that will help build a relationship between the customer and the server.

Another advantage of building a personal relationship with the customer is to get to know what the customer wants. Not only in terms of food, but the ambience and the general environment of the restaurant. These ideas can be used to make the experience a more pleasurable to the customer.

Moreover, management can organise periodic in-service training for their staff to improve the relationships with the customer and establish a positive post purchase intention. Furthermore, resource persons can occasionally be invited during periodic meetings to educate restaurant managers on contemporary trends, customer/staff expectations and other challenging issues that are occurring in the fine dining industry.

B. Promote fine dining to young people

Traditionally fine dining was considered to be targeted at the older generation, mostly due to the expensive menus. Whilst with younger people, cafes or fast food establishments were more popular. However, it was identified during the survey that 34% of the respondents between the ages of 16 and 27 actually experience fine dining on a timely basis.

Below chart shows the fine dining frequency levels of the young crowd who are in the ages between 16 and 27.

Figure 3: Fine Dining frequency of the young crowd (Ages 16 -27)
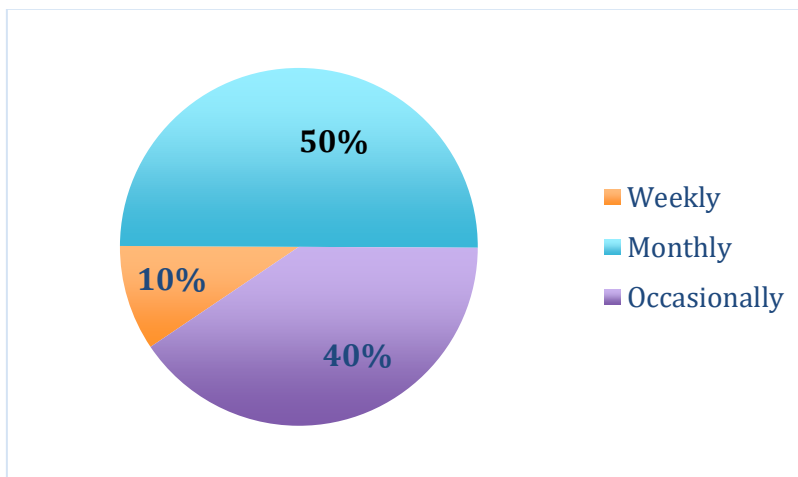
The chart displays that 50% of the respondents experience fine dining on a monthly basis where 10% experience fine dining on a weekly basis. In addition, 40% experience fine dining rarely.

Thus, pointing out that there is a market opening which can be capitalised by the fine dining restaurants. Therefore, restaurateurs can take advantage of this change of demographics to their advantage and appeal to the young crowd through their marketing and promotional activities or maybe even change their overall dining experience to target this young population.

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The Impact of Personal Characteristics on Personal Branding in Reflection to the Employability: A comparative study between IT graduates passing out from the state and private sector universities in Sri Lanka.

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Abstract

Unemployment is a major problem Sri Lanka is facing over the years. Although 22,000 graduates pass out every year from state and private universities, there is always a gap between what employers expect in a graduate and what the graduate could offer to the employer. This research focus on the employability of the IT graduates passing out from state and private universities, with specific reference to their personal characteristics and personal branding. Personal branding is a major concern with respect to the recruitment of any graduate. IT graduates especially are expected to have certain personal characteristics which determine their personal branding and influence their employability.

The main objective of this research is to determine the impact of the personal characteristics such as personal identity, personal image and personal positioning on employability of IT graduates and to analyze their mediation effect with the personal branding. Further, an attempt is made to determine whether the personal branding and employability of IT graduates significantly differ based on the university type (state and private). The research mainly focus on quantitative analysis by piloting a questionnaire to 160 private University IT graduates and 140 state University IT graduates following a hypothetical deductive method. The findings through the quantitative data are followed up based on qualitative data collected through semi structured interviews with HR and Recruitment Managers of IT companies.

Findings of this research revealed that personal characteristics have a strong impact on the employability of an IT graduates and this relationship is mediated by personal branding. Further, IT graduates passing out from private sector universities have stronger personal characteristics and personal branding compared to the graduates passing out from state sector universities. Thus, they are more employable compared to IT graduates passing out from state sector universities in Sri Lanka.

Key Words: Personal branding, Employability, Personal identity, Personal image, Personal positioning

1 INTRODUCTION

As economic growth in Sri Lanka has been amongst the fastest in South Asia in recent years, several employment opportunities emerge regularly and the demand for professionals has risen. The current primary and secondary education enrolment rates of Sri Lanka are 98% and 97% respectively, which are quite high for a developing economy (Kapurubandara, 2016). There are 18 state universities in Sri Lanka with an annual intake of about 22,000 students per year and the annual graduate output is around 20,000 per annum. Although the graduates passed out from the state Universities is in the rising level, still the unemployment rate of Sri Lanka is alarming (Dissanayake, 2014). According to Unemployed Graduate Association there are around 42,000 graduates who are unemployed in Sri Lanka (Srilankamirror.com, 2016).

According to Kapurubandara (2016), even though the "overall unemployment rate is 4.6% in 2016; the unemployed rate of the educated is a disturbing 10.1%. The numbers are even more disconcerting as the unemployment rate of the overall youth (15-29 years), is 27.3% for the same period". With the growing economy, although enough jobs are created for university graduates, the challenge for the employers is finding the right workers as most graduates lack soft skills and workforce skills (Dissanayake, 2014). Thus, the question arises as to why such a situation transpired. Many explanations are given for unemployment among the educated youth in Sri Lanka. The most well-known is that there is a skills mismatch, owing to the education system not harnessing the skills required by the job market (Sanderatne, 2011).

Companies nowadays weigh applicants', "personal characteristics" just as heavily as they weigh core job capabilities and traditional qualifications (Miester, 2012). Applicants with strong personal characteristics and personal branding have an advantage in the recruiting process and the potential of standing out (Paul, 2012).

Personal characteristics of a graduate such as personality, professionalism, self-confidence, good appearance, etiquettes, behavior, networking, communication skills, non-verbal behavior and other soft skills get them jobs very easily (Tharamaseelan, 2007).

Schawbel (2010) stated that personal branding is the process by which the individuals differentiate themselves from the others and be the forefront of others. A person can be distinguished by key factors such as his/her behaviour, personality, leadership, charisma, team working and interpersonal skills. Many young professionals lack training in vital 'soft skills' which lead to difficulty in building a personal brand (Towson, 2015). It is corroborated with the lack of exposure and not having proper mentorship.

Lack of a personal brand compels young graduates to engage in an occupation after graduation, which does not meet their expectations. The absence of a powerful personal brand, bars the chances of generating new opportunities for a person resulting the majority to settle for any job which comes their way even for a lower salary. Some remain unemployed for a long time.

The disappointment can backlash as frustration, youth unrest and other forms of anti-social behaviours (Ariyawansa, 2008, p. 92). In the above circumstances, the concept of personal branding needs to be compulsorily, to be implemented amongst young graduates.

Research conducted in the field of personal branding is insufficient as the previous surveys and researches had not given adequate attention to the practical challenges faced by graduates in conjunction with employment (Parmentier, Fischer, & Reuber, 2012). This study takes an approach to discuss the phenomenon of personal branding whilst focusing on the problems pertaining to personal branding of graduates. The ultimate objective of the current study is to assist fresh graduates in molding themselves to be "employment-worthy" in an attention.

The IT industry which is a growing industry in Sri Lanka with a contribution of 56.6 percent to the GDP, recording a positive growth rate of 4.5 percent during the second quarter of 2017 (Gunatatna, 2017) is a high demanding area for graduates. IT companies always look for best personal characteristics of IT graduates compared to most of the other industries since clients of most of the Sri Lankan IT Companies are based in other countries. The state and private universities produce thousands of IT graduates every year thus, enhancing personal characteristics and personal branding skills of graduates to suit the demands of employers is important.

A positive personal characteristic of a graduate is looked at very seriously when his/her personal branding is concerned. This enable the graduates to be employed with good perks and promotions in the future Unemployment is alarming for graduates in Sri Lanka and it is a serious research problem that need to be taken into consideration to understand whether there is any association between these personal characteristics and personal branding in reflection to the employability of graduates.

1.0 Literature review

2.1 Personal branding

The prevailing school of thought as to 'what is personal branding' is that it generally "entails capturing and promoting an individual's strengths and uniqueness to a target audience" (Sullaivan, Lair, & Cheney, 2005). However, personal branding is not about merely vending a graduate at a job interview or to a target audience. Young professionals can use their personal brands to enhance their recognition as experts in their fields, establish reputation and credibility, advance their careers, and build self-confidence by identifying their unique value proposition and then leveraging it across platforms with a consistent message and image to achieve a specific goal.

2.2 Elements of personal branding

Personal appearance – Creating the best first impression is crucial for building one's personal brand which includes their clothing, hygiene, style and attractiveness. Research shows that it takes only six seconds to create an impression about a person (Weiss & Felderman, 2006). This personal appearance impacts a person facing a job interview, appearing at a conference, networking with business professionals etc.

Personality – Personality is defined as the combined characteristics of qualities that form an individual's distinct character (Montoya, 2002). Personality defines how well a person behaves, his/her etiquettes, mannerisms etc. In addition, it determines the values, goals, identity and behavior of a person. If graduates are well aware of their personality traits it is easy for them to approach corporates effectively and also it helps them to get their dream jobs.

Competencies – Having the best personality and good personal appearance alone does not help one to develop his/her personal branding. Skills, knowledge and abilities are very important to stand out from the rest and to gain competitive advantage. Competencies in personal branding includes cognitive, business, communication and technical skills that enable the person to perform their job responsibilities (Labrecque et al., 2011).

When creating a personal branding strategy there are few areas a person should consider (Usrey & Sargent , 2013) These can be related to the IT graduates as follows:

The strengths – the graduate should know what his /her strengths are and what he/she is known for. This can be in the areas of academic achievements, work experience, sports skills etc.

Passions – the areas the graduate is passionate about and what sets him/her apart from the other graduates. Passions include various elements of interest one might have.

Accomplishment – This determine what the accomplishments the graduate wants to achieve in his/her career and how he/she is planning to do it.

Success – how well the success can be defined and the elements of success.

2.3 Personal branding models

According to Authentic Personal Branding model of (Rampersad, 2011), personal brand of a person should reflect his/her true character and should be built on their strengths, values uniqueness and genius. As shown in the below figure this model consists of four wheels which are interrelated and need to turn in the right direction in order to get the large personal branding wheel moving and evolving in the right direction successfully.
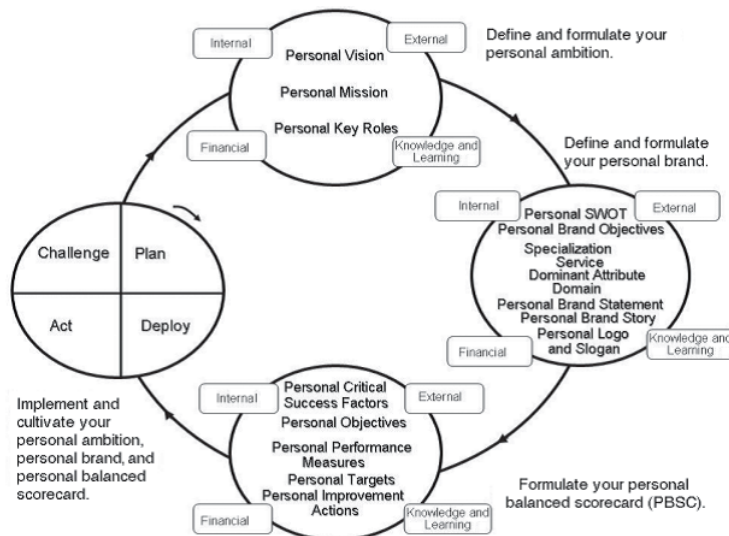

Figure 1: Authentic personal branding model (Rampersad, 2011)

The main four phases of the authentic personal brand model are as follows;

1. Define and formulate the personal ambition – This phase includes definition and the formulation of a personal ambition of a young professional. It should incorporate the personal vision, mission and key roles of a graduate, linked to four perspectives which should be in balance; internal, external, knowledge and learning and financial which keep balance between the personal brand and the life style (Rampersad, 2011).

2. Define and formulate your personal brand – This phase comprises defining and formulating an authentic and compelling personal brand. According to Rampersad (2011), one should conduct a SWOT analysis about him/herself initially. The results of this analysis define of one's life style. This relates to the personal brand ambition and the personal brand objectives.

3. Formulate personal balance scorecard – This stage includes developing and integrating a well-balanced action plan based on the personal ambition and the personal brand to achieve the personal brand objectives. This plan should be adhered into the four perspectives.

4. Implement and cultivate personal ambition, brand and Personal Balance Scorecard (PBSC)– This phase includes implementing, maintaining and cultivating the personal ambition, brand and the PBSC effectively. To guide people in this process a unique learning cycle called the 'Plan, Deploy, Act, Challenge' cycle (PDAC) is integrated to this model which should be followed continuously. According to Rampersad (2011) this process is essential to let the brand awareness of a person to grow gradually.

In overall this model can be identified as a very informative personal branding model for a graduate to start up the personal branding process. However, one shortcoming of this model is, it doesn't describe about the factors affecting the personal brand of a graduate and the indicators of those factors.

2.4 Factors affecting personal branding of graduates

The self-concept theory (totality of believes, preferences, opinions and attitudes organised in a systematic way towards personal existence), identifies that people behave in multiple ways to enhance and maintain themselves (Hollenbeck & Kaikati, 2012). However, the three factors named personal brand identity, brand image and the brand

positioning which is commonly known as personal characteristics are the key components of a personal brand in securing employability of a young graduate. For a successful personal brand, all three factors must be maintained in equally good condition. Therefore, it is essential that a graduate is mindful as to how it could affect the personal brand when seeking employment.

Personal Identity

The personal identity is one of the most important factors of building a powerful personal brand for a professional (Labrecque et al., 2011). It can be described as to how the target employers perceive a young professional's personal brand.

The personal identity is what solidifies the objective of personal brand of graduates. Hillgren et al., (2011) supports this position as they state that the personal identity is what clarifies and stimulates the true cause and aim of a personal brand. The personal identity is like the concept of a human identity (Shepherd, 2005). Hence the personal identity of a graduate is clearly indicated by his/her personality traits, authentic behaviour, professionalism and self-efficacy.

Personal Image

The personal image is heavily based on its visibility, but it is not confined to the outward appearance or the presentation of a person. The personal image is reflected in non-verbal behaviour, attitude and business etiquette (Labrecque et al., 2011; Schawbel, 2010) Relating the findings to the IT graduates, the personal brand image is the first impression of a graduate formed in the mind of an employer at the first point of contact. It is also the first perception conceived in the employers' mind about the graduate's personal brand itself (Labrecque et al., 2011). Therefore, graduates must pay extra attention to their personal brand image to maintain the personal image up to job market standards.

Personal positioning

Once the personal identity is established and the corresponding personal image is projected to an audience, the personal brand needs to find its position within the society, market and audience. Personal positioning is a process to generate a desired personal brand reflecting the personal identity and personal image (Aaker, 2002) leading a person to "stand out". Personal positioning should be used to highlight positive attributes which are valuable for the employers by differentiating from the peers (Labrecque et al., 2011). Many indicators are found to be related to personal positioning such as networking, elevator pitch and impression management (Labrecque, et al., 2011).

2.5 Aligning Personal branding with corporate branding

In order to align the personal brand of an employee with the corporate brand, first of all the personal vision, mission and objectives of the employee should be matched to the corporate vision, mission and objectives. Therefore, finding a way to overlap personal and corporate goals is critical. This is needed because employees don't work with their full potential or expend energy on something they do not believe in. If there is a direct match between the interests of the employees and the company interests or if the employees' values are aligned with organisation's values and beliefs, they will be engaged and work with greater commitment and dedication to meet company objectives. When the personal brands of employees in the organisation are compatible with corporate's brand and aligned in best interests of both parties, the outcomes will be high brand equity, brand loyalty for the corporate brand and happy stakeholders (Rampersad, 2011).

Aligning personal brand with the corporate brand has an effective impact on the organisational bonding of the employees. This process energizers the employees of the organisation and they make a useful and valuable contribution to the organisation's performance. Therefore, it has become essential to get the optimal fit of employee personal brand and corporate brand to increase employee productivity, engagement, commitment, passion and love to the company (Perrin, 2005 cited in Rampersad, 2011).

Proving the Hypotheses through Literature

A comparison of theories addressing personal characteristics and employability is provided below

Model / Variable	Personal Identity	Personal Image	Personal Positioning	Personal Branding	Employability
Personal Branding Model (Surgent and Usrey, 2013)	√	√		√	√
Authentic Personal branding Model (Rampersad, 2009)		√	√	√	√
Personal Branding Pyramid Model (Arruda, 2009)			√	√	

2.0   Research Methodology

3.1 Conceptual Framework

The conceptual framework is the foundation on which the whole research is based on. It is a logically developed, defined and explained network of associations among the variables considered relevant to the problem domain. It is identified through processes such as observations, interviews and literature review.
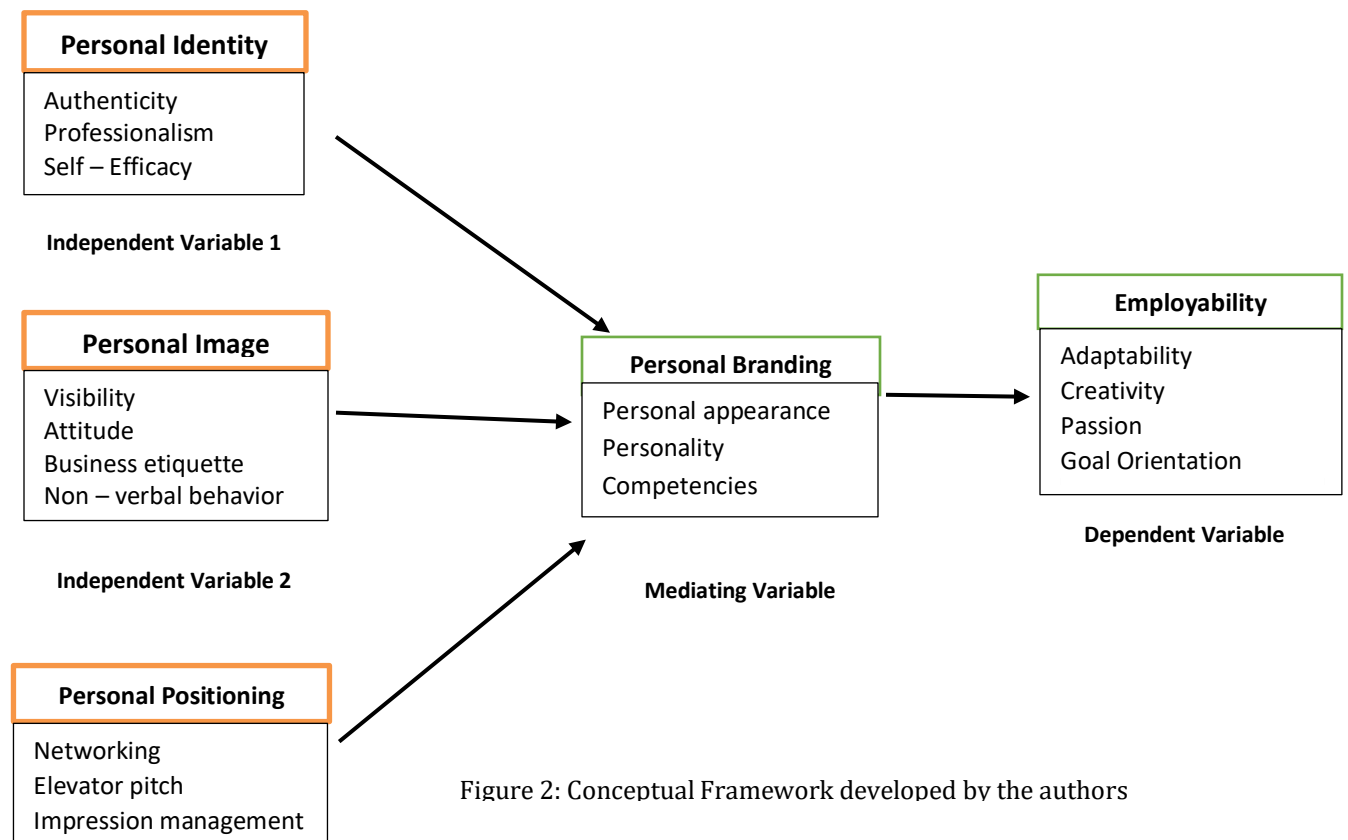

Figure 2: Conceptual Framework developed by the authors

Based on the literature, there are three independent variables that have a major influence on the employability through a mediating variable personal branding. According to the literature review three independent variables are identified such as personal identity, personal image and personal positioning. These three variables are considered critical for an IT graduate to build his/her personal brand in return to gain the employability in the corporate environment.

Five hypotheses were formed using a deductive approach to test the relationship between the independent variable and the dependent variable. Moreover, two more hypotheses were formed testing the mediating effect on the relationship between the independent variable and the dependent variables and the significance of the difference in employability of graduates passing out from state and private sector universities.

Hypothesis 1
H1. A: Personal identity has a positive relationship with employability.
H1. O: Personal identity has no relationship with employability.

Hypothesis 2
H2. A: Personal image has a positive relationship with employability.
H2. O: Personal image has no relationship on employability.

Hypothesis 3
H3. A: Personal positioning has a positive relationship with employability.
H3. O: Personal positioning has no relationship on employability.

Hypothesis 4
H4.A: Personal branding mediates the relationship between the personal characteristics and the employability.
H4.O: Personal branding does not mediate the relationship between the personal characteristics and the employability.

Hypothesis 5
H5. A: There is a significant difference in employability of the IT graduates passing out from the state and private sector universities.
H5. O: There is no significant difference in employability of the IT graduates passing out from the state and private sector universities.

3.2 Research approach and methodology

Based on the Research Onion framework by Saunders, Lewis, & Thornhill (2013) this research follows a pragmatic philosophy where the research focus on answering the research question "What is the impact of personal characteristics reflected through personal branding on the employability of IT graduates?".

This research mainly follows a deductive approach thereby, testing the existing theory on personal branding with the follow up of interview findings. Hence, including an inductive approach with less emphasis compared to the deductive method of piloting a questionnaire among 300 IT graduates from IT companies such as Virtusa, Zone 24X7, Fortude, 99X technology, MIT, Attune, Creative Solutions, Cambio, Sampath IT solutions, IFS, Hsenid, Microsoft, Navantis, Micro image, Codegen, WSO2, DirectFN, Pyxle, Leapset, E-builders etc. The research strategy was mainly a survey with a cross sectional time horizon as data was collected only once.

The researcher has adopted a mixed method with more emphasis on quantitative data, where the study can be categorized as explanatory mixed method according to Cresswell (2014).

The questionnaire for the IT graduates consisted of questions testing the personal characteristics, personal branding and the employability, where questions were on the five point Likert scale with answers ranging from 1(strongly disagree) to 5 (Strongly agree). A high score for any question indicates high level of each indicator tested. Findings from the quantitative analysis were followed up with semi structured interviews with managers of ten IT companies namely, Direct FN, 99X technology, Virtusa, Fortude, WSO2, MIT, HSenid, Leapset, IFS and Creative Solutions. The target population for the quantitative study were the IT graduates who have passed out from both State and Private universities in 2016 and 2017 are employed in their first job as graduates.

3.0 Findings

3.1 Reliability and validity testing of the variables

As the initial step, the dimensions of personal characteristics were tested for uni-dimensiality by performing a factor analysis. The results implied that the responses can be grouped into the three dimensions of personal characteristics; Personal Identity (PIN), Personal Image(PIM) and Personal Positioning(PPO). The questions under each dimension was coed with abbreviation of the dimension and the question number, for example question 4 of personal identity as PIN4. The data was further tested for convergent validity, discriminant validity and the reliability.

The convergent validity of a construct can be ensured by having the Average Variance Explained (AVE) of the construct greater than 0.5 and Composite Reliability of each construct greater than 0.7. The discriminant validity can be verified by having the AVE of each latent construct greater than the highest squared correlation with any other latent construct (Hair, Christian, & Marco, 2011). Further, Kaiser – Meryer – Olkin measure of sampling adequacy (KMO) and Bartlett's test of Sphericity are two good techniques that are applied to test factorability of data. KMO values above 0.5 indicate acceptable levels of factorability of data. The reliability of the measurements can be accepted as good if the Cronbach's Alpha is greater than .7 (Sekeran & Bougie, 2016).

The study results shown in the tables 2 and 3 indicate that the independent, mediating and dependent variables were well within the parameters for reliability and validity.

Table 1: Rotated Component Matrix.

Rotated Component Matrix[a]

	Component		
	1	2	3
PIM5	.774		
PIM8	.752		
PIM6	.752		
PIM7	.714		
PIM4	.713		
PIM3	.712		
PIM1	.711		
PPO4		.780	
PPO5		.750	
PPO2		.693	
PPO3		.657	
PPO6		.618	
PPO1		.596	
PIN5			.745
PIN3			.731
PIN2			.599
PIN4			.550
PIN1			.546

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.

Table 2: Results of Discriminant Validity test (Researcher constructed)

		Personal Identity	Personal Image	Personal Positioning
Personal Identity		AVE = 0.51		
Personal Image	Pearson Correlation Squared Correlation	0.583 0.34	AVE= 0.62	
Personal Positioning	Pearson Correlation Squared Correlation	0.596 0.355	0.711 0.506	AVE = 064

Table 3: Results of Convergent Validity tests (Researcher constructed)

Variable	Cronbach's alpha	KMO	Bartlett's test	AVE	CR
Rule of thumb	>0.7	>0.5	Sig.<0.05	>0.5	>0.7
Independent Variable Personal Identity	0.702	0.784	χ^2 = 299.61 Sig: .000	0.51	0.83
Personal Image	0.900	0.896	χ^2=1060.89 Sig: 0.000	0.62	0.92
Personal Positioning	0.858	0.882	χ^2 = 908.59 Sig: .000	0.64	0.91
Mediating Variable Personal Branding	0.839	0.820	X^2 = 685.95 Sig: .000	0.57	0.88
Dependent Variable Employability	0.795	0.840	X^2 = 538.10 Sig: .000	0.53	0.87

4.2   Analysis of personal characteristics and Personal Branding

The quantitative data collected through the questionnaire were compiled to calculate the average scores earned by each graduate for each of the variables tested in the study. The scores were analysed based on the university type, as shown in table 3 below.

Table 4: Comparison of personal characteristics and Personal Branding based on university type (Researcher constructed)

Variable	State University Graduates	Private University Graduates
Personal Positioning	3.02	3.65
Personal Image	3.48	4.06
Personal Identity	3.19	3.75
Personal Branding	3.30	3.85

The above results clearly indicate that Graduates passing out from private sector universities are stronger in personal characteristics and personal branding compared to the state sector IT graduates.

4.3   Testing of hypotheses

Five hypotheses were formed in this research and the first three hypotheses were to test the relationship between the independent variable and the dependent variable. This was tested using the Person's correlation coefficient and regression coefficient. The fourth hypotheses were to test the mediating effect of personal branding on the relationship between personal characteristics and employability. Sobel test calculator results were used to test these hypotheses. The fifth hypotheses were to check the significance of the difference in employability of the IT graduates passing out from the state and private sector universities and independent sample t-test is used to prove the fifth hypotheses.

Testing of Hypothesis 1,2 and 3

Table 5: Results of Tested Hypotheses 1, 2 and 3 (Researcher constructed)

Hypotheses	Variables Constructed	Pearson Correlation	Significance of Correlation at 0.1 sig level	Results of the Hypotheses
H1.A: H1.0:	Relationship between Personal Identity and Employability	0.610	Significant	H1.0 rejected
H2.A: H2.0:	Relationship between Personal Image and Employability	0.735	Significant	H2.0 rejected
H3.A: H3.0:	Relationship between Personal positioning and Employability	0.721	Significant	H3.0 rejected

From the above table it's been proven that null hypothesis with respect to Hypotheses 1, 2 and 3 and tested are rejected and the relationships are significant.

In addition to the above correlation test, a multiple regression model was conducted to understand more about the

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.800a	.640	.636	.41421

a. Predictors: (Constant), Personal identity, personal image, personal positioning

combined effect of the three independent variables (personal characteristics) on the dependent variable.

Table 6: Model Summary Results of Multiple Regression (Researcher constructed)

This multiple regression analysis clearly shows the significance of the influence of personal characteristics have on employability of Sri Lankan IT graduates. The results show that the coefficient of determination (R^2) is 0.640 (Adjusted R square = 0.636). Hence, it shows that 63% of the variation in employability is explained through variations in personal characteristics of the IT graduates.

Table 7: The Regression Coefficients (Researcher constructed)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.934	.131		7.109	.000
	Personal Identity	.168	.042	.183	4.049	.000
	Personal Image	.336	.044	.391	7.559	.000
	Personal Positioning	.281	.044	.334	6.373	.000

a. Dependent Variable: Employability

The table shown above covers the independent variables personal identity, personal image and personal positioning. The coefficient table above shows all three independent variables are significant at 0.05 significance level. Therefore, all of them have significant impact on the employability.

The multiple regression equation could be explained as follows:

Employability = 0.934 + 0.168 (PIN Mean) + 0.336 (PIM Mean) + 0.281 (PPO Mean)

This equation could be actually used in hiring IT graduates in IT companies where based on a questionnaire that is developed to check the personal characteristics can be given to the IT graduates and the mean of personal identity, personal image and personal positioning can be substituted to the equation given above to calculate the employability level of the IT graduate to be employed at the IT organization.

Testing of Hypothesis 4

	Sobel Test Statistics	p-value	Significance
Mediation of personal branding on personal identity and employability	9.529	0.000	Significant
Mediation of personal branding on personal image and employability	7.506	0.000	Significant
Mediation of personal branding on personal positioning and employability	8.283	0.000	Significant

Table 8: Results of Sobel test for mediation effect (Researcher constructed)

The mediation effect was tested using Sobel test. The alternative hypotheses was selected by rejecting the null hypotheses because of the Sobel test results having all p-values below the 0.05 threshold.

Testing of Hypothesis 5

The alternative hypotheses was selected in this test by rejecting the null hypotheses because in the independent sample t-test indicating a significant difference between the means of employability of the two populations (state and private university graduates). Sig. (2 – tailed) = 0.000. Therefore, there is a significant difference in employability of the IT graduates passing out from the state and private sector universities.

4.4 Qualitative study

For the qualitative study ten HR heads and recruitment managers were interviewed from 10 selected IT companies in Colombo such as Direct FN, 99X technology, Virtusa, Fortude, WSO2, MIT, HSenid, Leapset, IFS and Creative Solutions. The interviews were based on the importance of the personal characteristics (independent variables) such as personal identity, personal image and personal positioning in securing employability. Then the interviews also inquired about the effect of mediating variable personal branding on the independent and dependent variable relationship. The importance of these variables for the IT graduates in securing a job is analysed separately and also the significance of the difference in employability of the IT graduates of state and Private Sector Universities is also determined separately.

4.5 Findings on the personal identity

All the respondents (100%) agreed that personal identity is a very important factor for the IT graduates to secure employability in their respective IT companies. They all stated that personal identity foot print gives a considerable advantage not only for recruitment of the IT graduates but for the career progression in carrying up them in the organizational hierarchy. Respondents also stated that right qualifications and experiences alone will not help the IT graduates to secure their jobs. Personal identity plays a major role in getting them their dream job in their favorite company. 30% of the respondents stated state university IT graduates are best in their personal identity where 70% of the respondents felt private university IT graduates are better based on the personal branding indicators given to the respondents.

4.6 Findings on the personal image

All respondents agreed that personal image expands a graduate's exposure in an organization and it helps IT graduates to secure their employment in a very positive way. The respondents stated that if the personal image is positive then the chances of the IT graduate getting exposed to various different job roles in the company is quite high. Further, personal image also expands opportunities for their job rotation, rob enlargement and job enrichment. Management is confident to give more responsibilities to an IT graduate who has a positive personal image.

The recruitment and HR Managers of these IT companies revealed that after the Curriculum Vitae, the next most important juncture for an employer to choose an employee is the few minutes that they get with the candidate in the form of an interview. Hence, it is of utmost importance that the candidate presents him / herself to the best of their ability. The employers are interested in the technical know-how of the candidate but at the same time they keep a close eye on the appearance, body language and attitude of the person especially if the company needs its employees to interact with external customers / stakeholders. Personal image in this case helps the candidate to secure his/her job and move up in the career ladder. Only 10% of the respondents considered that state university students are good in building their personal image and the rest 90% felt that private university students are better in building their personal image.

4.7 Findings on the personal positioning

Personal positioning comprises rate and willingness to network, mingling proficiency, convincing ability and public speaking ability. All the respondents (100%) agreed that personal positioning is an essential element for young IT graduates in gaining employability. Personal positioning helps the IT graduate to create a positioning statement in the employers mind. Meeting new clients and creating a best business rapport is very important to success in the competitive IT market and an IT graduates who persuade a good personal positioning are likely to master this. Again 10% of the respondents considered that state university students are good in building their personal positioning and the rest 90% felt that private university students are better in building their personal positioning.

4.8 Findings on the personal branding

The mediating variable personal branding is considered one of the most influential factors of employability by the all the respondents (100%). All of them agreed the personal branding elements such as personal appearance; personality and competencies are key ingredients an IT graduate should hold to get employed at their respective IT companies. Although all the respondents consider personal branding is very important for IT graduates there are certain exceptions found in the interviews where 60% of the respondents mentioned that the importance of the elements of personal branding will change according to a job role. The IT graduates who sit at the back office to develop programs do not consider much about their personal appearance or personality. Thus, the client facing IT graduate need to be well equipped with those skills since they need to meet the customer and create a good first impression from their personal appearance and personality. 40% of the respondents stated state university students pose the best personal branding and 60% of the respondents agreed private university students pose the best personal branding.

5.0 Conclusion

This research attempted to identify the impact of personal characteristics and personal branding of a young IT graduate on employability. Based on the literature it was found personal identity, personal image and personal positioning have an impact on employability and personal branding connects these personal characteristics with the employability of an IT graduate. The researcher mainly proved these through a quantitative analysis which is supported by the qualitative findings.

A structured questionnaire was piloted among 300 young IT graduated (140 state university and 160 private university IT graduates) who are employed at twenty five IT companies in Sri Lanka. The questionnaire was based on a five point likert scale on which respondents were expected to indicate their personal characteristics, personal branding choices and employability aspects. A quantitative analysis was done for the responses received using SPSS software. In this respect a factor analysis was conducted using a factor loading and a reliability and validity tests were done to determine the consistency and validity of the questionnaire to suit the purpose of the research.

According to the quantitative analysis it was proven that IT graduates have considered all three personal characteristics (personal identity, personal image and personal positioning) are important and they acquire those personal characteristics. However, it was observed that private university IT graduates have these characteristics more than the state university IT graduates. Also, they rated themselves higher in personal branding compared to the state university IT graduates. Focusing on the indicators of personal characteristics, it was observed that state university IT graduates have low social media credibility, less positive body language, poor understanding of protocols, less willingness to network and poor awareness about personal grooming. At the same time private IT graduates showed better results in all the characteristics compared to the state university graduates. They were higher in having good practice of work ethics, having strong belief in people, better ability to change the behaviour in others and strong communications skills. With respect to the employability characteristics private sector IT graduates showed a higher result compared to the state university students. State university IT graduates were low in thinking out of the box and the private university IT graduates were better at continuous learning.

Moreover, the independent variables (personal characteristics of IT graduates) such as personal identity, personal image and personal positioning had significant positive correlation with the dependent variable (employability) and all of them were able to predict employability to a greater extent. According to the results 63% of these personal characteristics were able to predict the employability of a young IT graduate. The following formula helped in predicting the employability of an IT graduate

Employability = 0.934 + 0.168 (Mean of personal identity) + 0.336 (Mean of personal image) + 0.281 (Mean of personal positioning)

A semi structured interview was conducted with ten HR / Recruitment managers who are in charge of recruiting the young IT graduates to the respective IT companies, where the majority of the sample of IT graduates were working in these companies too. Since, there were no empirical research carried out on personal branding on IT graduates these findings were needed to support the results received by the quantitative methods. All the interview respondents mentioned that personal identity, personal image and personal positioning are key personal characteristics they look for in an IT graduate before recruiting them to their organization.

The respondents also mentioned private university IT graduates are more adaptable and creative compared to the state university IT graduates and hence are considered more employable. Further, state university IT graduates are more passionate and goal oriented compared to the private university IT graduates thus, comparatively based on the interview findings it was concluded that the employment probability based on the skills for state university IT graduates is 47.7% and 52.3% for private university IT graduates thus, private sector IT graduates are more employable compared to the state university IT graduates. This support the quantitative research findings.

5.1 Recommendations

The main objective of this research study was to identify the personal characteristics and personal branding concepts that would enable the job employability of the young IT graduates. It was noted from both quantitative and qualitative analysis that these personal characteristics have a major influence in the employability. Thus, there are many shortcomings in this process. IT organizations look for IT graduates with excellent personal branding skills but the IT graduates lack certain skills which leads them to un-employability and also from the research it was concluded that private university IT graduates are stronger in their personal branding compared to state university graduates. Thus, to guide them' following recommendations are given to undergraduates, IT graduates and Universities.

Undergraduates are considered as the next IT graduates who will be looking for employment in the IT companies. If they are not equipped with the personal characteristics and skills given in the personal branding framework above it is more likely that they will not be employed in the IT companies. Therefore, they should give focus to more practical based learning, attend on-campus educational programs to improve knowledge and skills. They should do other certifications apart from the academic modules to improve technical competencies, dedicate for continuous learning by attending workshops, seminars and training to improve skills, get engaged with paid/unpaid internships to improve competencies, professionalism, creativity, practice and adaptability, get engaged in clubs, associations, societies, overseas transferring programs, volunteering work to build self-efficacy, personality, and to build networks. Moreover, the undergraduate students should take part in networking events, seminars on personal branding and improve number of connections, build communication skills by enrolling in toastmasters clubs, interactive clubs and literary associations and build online brand presence by engaging in social media channels and other digital mediums (online blogs, online videos, linked in and online networks).

If the IT graduates are concerned that they should be aware about their skills, competencies, personality and personal characteristics, be aware of the personal characteristics that are necessary for the specific job role applied in the IT Company and compare the skills needed with the skills owned, they should improve the personal grooming aspects and power dressing techniques. Networking is key in building the personal brand therefore, they should attend networking events, to build contacts. Furthermore, they should attend training, seminars and workshops on personal branding, management skills development and communication skills to improve the employability.

As clearly mentioned in the first chapter, Sri Lanka is facing an issue in unemployment for quite a few years. Poor personal characteristics and personal branding lead to this scenario. From the interviews conducted it was noted that IT companies consider private university IT graduates are more employable than the state university IT graduates. Therefore, from the university level and higher education level there are certain changes recommended.

The Universities should include modules such as personal branding, professional practice and interpersonal skills in university curriculum. They should make industrial placement compulsory for students in a way they will get one year work experience before they pass out as IT graduates, where most of the universities offer 3 months to 6 months internships only. This arrangement will help them to find employment opportunities in best IT companies. The universities should encourage undergraduates to take part in IT related local/global competitions such as National Best Quality Software Awards (NBQSA), Microsoft Imaging Cup, Studentprenuer of the year award, IEEE competitions etc. This will improve their competencies and their networks. Moreover, get the students into tech entrepreneurship ventures that will build their personal characteristics and personal branding and in return they will learn a lot from industry experts and be ready for employment.

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A CRITICAL ANALYSIS OF NPA MANAGEMENT IN INDIAN BANKING INDUSTRY: A CASE STUDY OF SELECT BANKS

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ABSTRACT

Indian banking system ranks sixth among the emerging economies in the world and stood the test of time during the global financial crisis. The major challenge for banking sector which is adversely affecting is NPAs. The relevance of NPA management to the Indian banking system is so critical that if unchecked it contributes in adversely affecting the profitability of banks. The objective of the study is to examine NPA management of the selected banks with special focus on prescribed Basel norms for improvement of performance of banking sector. One of the other conclusions that the Unique Identifier (UID) or AADHAAR link as collateral and utilization such information can be used to corner the defaulter and nail them.

KEYWORDS: Doubtful assets, Loss assets, Non performing assets, Public sector banks, and Sub-standard assets. Special mentioned account

1 INTRODUCTION

NPA refer to bad loans, which occurred due to wrong choice of client because of the money getting blocked the prodigality of bank decreases not only by the amount of NPA but NPA lead to opportunity cost also as that much of profit invested in some return earning project/asset. So NPAs not only affect current profit but also future stream of profits, which may lead to loss of some long-term beneficial opportunity. Based on what premise can tis statement been made? There can be a very good client over years who have been prompt but become NPA in one instance due to reason beyond their control?

NPA management is a matter of concern to the entire banking industry. What one has to see is the background of an NPA and its origination. A lot of NPAs result from lack of proper monitoring and control. There are NPAs which occur due to factors beyond the control of the borrower say diversion of funds by the borrower. But ultimately, effective monitoring and control will definitely restrict the NPAs. Instead of getting into action after the accounts have turned into NPAs, it is always better to closely monitor and plan whenever slippages do occur.

In India, the NPAs that are considered to be at higher levels than those in other countries have of late, attracted the attention of public. The Indian banking system had acquired a large quantum of NPAs, which can be termed as legacy NPAs. It was in early 1990s the problem of bad loans was first realised. The magnitude of Gross NPAs in banks is ₹.10.25 lakh crore as on March 2018 and in percentage of total loans provided by banking industry turning out to be 11.8. NPA management is a most important aspect of banks performance irrespective of the fact whether it is public sector or private sector. It is generally felt that NPAs reduce the profitability of banks, weaken their financial health and erode their solvency. For the recovery of NPAs a broad framework was evolved for the management of NPAs under which several options are provided for debt recovery and restructuring. Banks and Financial institutions have the freedom to design and implement their own policies for recovery and write-off incorporating compromise and negotiated settlements.

The two key circumstances under which an asset is to be treated as Non-performing are as under:

(i) When it ceases to generate any income for the bank

(ii) Interest and/or installment of principal remains overdue for a period of more than 90 days in respect of a Term Loan.

Sample and Sources of data

- The sample consists of 2 banks namely State Bank of India and Canara Bank, quoted at the Bombay Stock Exchange over the period 2000-01 to 2017-18.
- The selected banks namely Canara bank and State Bank of India has been selected because of long standing existence and contribution to Indian Banking Sector.
- This study uses secondary data collected from various sources such as published research articles, working papers, NSE and BSE websites and Directories, CMIE database - Prowess, Capital Market's database Capital Line, Balance Sheets of the select banks, Public Enterprise Survey Reports and the RBI Bulletins.

Need for Study

- The growing universalization of banking operations.
- Today Public sector Banks are considered to have clean, strong and transparent balance sheets and practicing foolproof system in spite of recent global meltdown.
- The banking sector is undergoing a rapid change in terms of the demographics, regulatory requirements and technology.

Objectives

1. To examine critically NPA management in PSBs
2. To evaluate the role of NPAs affecting adversely on the earnings
3. To analyze the factors contributing to mounting NPAs and vehicles for recovery
4. To analyze Transparency and visibility of NPAs

Methodology

Financial tools viz., ratio analysis and trend analysis are employed to evaluate critical analysis of NPA management during the study period 2000-01 to 2017-18 of the selected banks.

Classification of NPA

Gross NPAs are the sum total of all loan assets that are classified as NPAs as per RBI guidelines as on Balance Sheet date. Gross NPA reflects the quality of the loans made by banks. It consists of all the non- standard assets classified as sub-standard, doubtful, and loss assets.

Gross NPA ratio is the ratio between Gross NPAs and Gross Advances.

Net NPAs are those type of NPAs in which the bank has deducted the provision regarding NPAs.

Net NPA ratio is calculated by Gross NPAs – Provisions **/** Gross Advances – Provisions.

What is the RBA target for idea NPA? For example in Sri Lanka the Central Bank has given such targets to all commercial banks. This is a good benchmark for the analysis

NPA Management

The analysis of NPA Management clearly indicates deficiencies on both sides namely Banks and Promoters. Many of the reasons for increase of NPAs may not be under the control of both parties. But a sizable reasons for NPAs may be attributable to Banks such as poor appraisal of the proposals for grant of loans at the initial stage, monitoring of the execution of proposals by promoters at frequent stages especially when the stage of disbursement of loan etc. Both sides should put their heads together to contain reasons under their control for reducing the proportion of NPAs. At frequent intervals mutual discussion without blaming the other side will go a long way to contain the proportion of NPAs.

Bank Managers must be very attentive and fairly impartial in examining the proposal in such a way that the Bank may not fail to realise the debts. No doubt Indian Banking system is relatively more disciplined in observing basic lending norms. Due to that discipline only the disaster experienced in Japan and South Asian Countries are avoided in India in 1998.

"Loan Melas" were very common in eighties Ministers and politicians used to reveal in Melas as if they are parting with their money for social benefits. Interference from political big wigs in Banking industry has to be avoided considerably, if not fully.

ASSET CLASSIFICATION AND PROVISIONING

As per prudential norms on Asset Classification and provisioning, Banks are required to classify nonperforming assets further into the following three categories based on the period for which the asset has remained nonperforming and the realisability of the dues.

Standard Assets are those assets which do not carry more than the normal credit risk attached to business. As such, all performing assets could be classified as standard assets.

Sub-standard Assets are those assets that remain a Non performing for a period not exceeding 18 months with effect from the year ended March 2001. However, the period of 18 months has been reduced to 12 months by Reserve Bank of India with effect from March 31, 2005.

Doubtful Assets are those assets classified as a Doubtful asset if it remains as Non performing for a period exceeding 12 months w.e.f 31.03.2005. For Tier I banks, the 12-month period of classification of a substandard asset in doubtful category will be effective from April 1, 2009. A loan classified as doubtful has all the weaknesses inherent as that classified as sub-standard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable.

Loss Assets are those assets where loss has been identified by the bank or internal or external auditors or by the Co-operation Department or by the Reserve Bank of India inspection but the amount has not been written off, wholly or partly. In other words, such an asset is considered un-collectible and of such little value that its continuance as a bankable asset is not warranted although there may be some salvage or recovery value. Only those advances would be classified here, where no security is available. Accounts where any security/ECGC/DICGC cover is available are not to be reported under loss category.

In order to assure better NPA management in the banking sector provisioning requirements are to be adhered by every bank. Namely

STANDARD ASSETS:

Monetary and Credit Policy Measures have instructed that Banks have to make a general provision on standard assets of a minimum of 0.25% on Direct Agriculture & SME Loans & 0.40% on General Accounts from the year ending 31st March 2000.

SUB-STANDARD ASSETS:

A flat provision of 10% has to be made on the outstanding of the amount borrowed if the security value as a percent of total exposure is greater than 10% or 20% of the Outstanding, only if security value as a percent of total exposure is less than 10%.

DOUBTFUL ASSETS:

For the computation of the provision requirements in respect of doubtful assets, the doubtful assets are sub classified as D1 (Age of NPA is less than one year and 20% on the secured portion as provisional requirement), Similarly in D2 (Age is 1 to 3 yea₹ and 30% in provision) and D3 (Age is more than 3 yea₹ and 100% in provision).

If the outstanding not fully covered by security and DICGC/ECGC cover, 100% provision has to be made on the balance unsecured portion.

LOSS ASSETS:

In respect of loss assets, as there will be no security available, 100% provision has to be made on the net outstanding after deduction DICGC/ECGC cover if available. If substantial security is available, which is considered realizable, the credit facility should be treated as doubtful. However, if realizable/salvage value of the security is negligible, then the account after deducting the salvage value. For example, the due to the bank is ₹.1 lakh and the account is identified as loss asset. If the salvage value of the security is ₹ 0.01 lakh, the provision should be made for ₹.0.99 lakh.

FACTORS AFFECTING NPAs

General environmental factors: These include business cycles, the legal framework, ethical standards, the regulatory and supervisory system, and the political environment.

Bank specific factors*:* The credit appraisal system; credit recovery procedures; controls, checks and balances adopted by the top management; the risk management system in place; and the motivation level of staff.
Thus, for both healthy and not-so-healthy banks, asset quality after an above average credit growth has a major effect on NPAs. One way to capture the effect of deterioration in the asset quality is to consider cumulative growth rates of credit, which also captures the time-lag effect of credit migration.

Vehicles for NPA recovery

Several institutional mechanisms have been developed in India to deal with NPAs such as tightening of legal provisions; the passing of the Securitization and Reconstruction of Financial Assets and Enforcement of Security Interest (SARFAESI) Act 2002; Introduction of Debt Recovery Tribunals; Lok Adalats (public courts); Corporate Debt Restructuring mechanism for large advances to corporate borrowers; etc. have been suggested to address the problem of NPA recovery.

Impact of NPA

Liquidity: Money is getting blocked, decreased profit lead to lack of enough cash at hand which lead to borrowing money for shorter period of time which lead to additional cost to the company. Involvement of management:-

Time and efforts of management is another indirect cost which bank has to bear due to NPA. Time and efforts of management in handling and managing NPA would have diverted to some fruitful activities, which would have given good returns. Now day's banks have special employees to deal and handle NPAs, which is additional cost to the bank.

Credit loss: Bank is facing problem of NPA then it adversely affects the value of bank in terms of market credit. It will lose its goodwill and brand image and credit which have negative impact to the people who are putting their money in the banks To sum up, NPAs in banks need tackling promptly through a double pronged approach viz. preventive and creative measures by banks at macro and micro levels.

Global practices of Banking operations has been adopted by Indian Banking sector namely Basel accords. The success stories of Basel norms I and II and the period of global financial crisis which began in mid-2007, many banks struggled to maintain adequate liquidity. Unprecedented levels of liquidity support were required from central banks in order to sustain the financial system & even with such extensive support a number of banks failed which were forced into mergers or required resolution has paved the way for Basel III.

Basel III reforms

1. Enhancing the quality and quantity consistency & transparency of capital
2. Deal with pro-cyclicality and addressing pro-cyclicality by introducing a framework for counter- cyclical capital buffers.
3. Reducing leverage by the introduction of a leverage ratio.
4. Improving liquidity management by introducing short and medium-term quantitative liquidity ratios.
5. Address systemic risk & interconnectedness.

Growth of Canara Bank was phenomenal, especially after nationalisation in 1969, attaining the status of a national level player in terms of geographical reach and clientele segments. Eighties was characterized by business diversification for the Bank. In June 2006, the Bank completed a century of operation in the Indian banking industry. Today, Canara Bank occupies a premier position in the comity of Indian banks widely known for customer centricity with an unbroken record of profits since its inception and has several firsts to its credit.

State Bank of India (SBI) is the largest banking and financial services company in India in terms of by revenue, assets, deposits, branches, number of customers and employees and market capitalisation. The bank traces its ancestry to British India, through the Imperial Bank of India, to the founding in 1806 of the Bank of Calcutta, making it the oldest commercial bank in the Indian Subcontinent. The merger of five associate banks and Bharatiya Mahila Bank have been merged with SBI on 1st April 2017, this merger with SBI emerged into one of the Top 50 global banks. It has a market share among Indian commercial banks of about 23.07% in deposits and loans. The Economic Times Brand Equity -Nielsen survey has awarded for the sixth consecutive year as Most Trusted Brand, 2016.

Table: 1.1 Gross NPAs   ₹. In Crores

Year	Canara Bank	SBI
2000-01	2242.89	15874.97
2001-02	2112.44	15485.85
2002-03	2474.78	13506.07
2003-04	3126.84	12667.21
2004-05	2370.55	12455.73
2005-06	1792.61	9628.14
2006-07	1493.43	9998.22
2007-08	1272.62	12837.34
2008-09	2167.97	15714.00
2009-10	2590.31	19534.89
2010-11	3137.36	25326.29
2011-12	4031.75	39676.46
2012-13	6260.16	51189.39
2013-14	7570.21	61605.35
2014-15	13039.96	56725.34
2015-16	31637.83	98172.80
2016-17	34202.04	177866.00
2017-18	47468.00	2,23,427.00

Source: Respective Annual Reports

From the above analysis of table 1.1 it is observed that Canara Bank is showing an down ward trend during the period of study 2004-05 to 2007-08 indicating settlements and recovery quite noteworthy and also indicating cash recovery, while the remaining period 2008-09 to 2017-18 showing a increase in trend owing to the amounts of stressed assets due to bad loans. Financial year 2014-15 has shown a gross NPA level of ₹.13,040 crores, the gross NPA ratio has increased to 3.89% from 2.49% as at March 2014. Gross Non Performing Assets (NPAs) as on March 31, 2018 stood at ₹.47,468 crore compared to ₹.34,202.04 crore in the previous year.

The Gross Non-Performing Assets of State Bank of India has shown a fluctuating trend from 2000-01 to 2006-07 and from financial years 2007-08 to 2017-18 has shown an increase in trend indicating the burden of recovery of loans. The general economic condition began showing some signs of improvement during the second half of the financial year 2014-15. This had a favourable impact on the asset quality which improved during the financial year. The Gross Non-Performing Assets of SBI declined by 70 bps to 4.25 per cent in FY2015. The Gross NPA thus stood at 6.90% as on March 2017, up by 40 bps. During financial year 2017-18 Gross NPAs of SBI increased from ₹.1,77,866 crore as on March 2017 to ₹.2,23,427 crore as on March 2018. The merger of seven associate banks of SBI and Bhartiya Mahila Bank Ltd with SBI contributed substantial rise in Gross NPAs adding ₹.65,523 crore.

Table: 1.2 Net NPAs ₹.Crores

Year	Canara Bank	SBI
2000-01	1345.99	6856.26
2001-02	1288.39	6810.20
2002-03	1453.88	6183.00
2003-04	1378.31	5422.00
2004-05	1125.28	5348.89
2005-06	879.18	4911.41
2006-07	926.97	5257.72
2007-08	899.03	7424.33
2008-09	1507.25	9677.42
2009-10	1799.70	10870.17
2010- 11	2329.91	12346.89
2011-12	3386.31	15818.85
2012-13	5278.07	21956.48
2013-14	5965.46	31096.07
2014-15	8740.09	27590.58
2015-16	20832.91	55807.02
2016-17	21648.98	96977.38
2017-18	28542.00	1,10,855.00

Source: Respective Annual Reports

From the above analysis of table 1.2 it is observed that Canara Bank is showing fluctuating trend for the years 2000-01, 2001-02, 2006-07 and 2007-08. while period from 2003-04 to 2005-06 has shown a decrease in trend indicating improvement in its asset quality and performing well on settlements and recovery front and periods 2008-09 and 2017-18 has shown a increase in trend.

SBI has been focusing on restructuring of impaired Standard Assets as well as viable non-performing assets, both under CDR mechanism as well as under Bank's own scheme, have been given top priority for arresting new additions and reducing the existing level of NPAs has shown a consistent downward trend for the period 2000-01 to 2005-06 and an upward trend from the period 2006-07 to 2017-18.

The Asset Quality Reconstruction exercise taken up in the year 2015-16 had resulted in significant rise in Non-Performing Assets (NPA) of the Bank. This increase during FY2017, was much lower from ₹.98,172.80 crore to ₹. 1,12,342.99 crore. Despite the rise in Gross NPA, the Net NPA ratio declined by 10 bps to 3.71% YoY. The recoveries and up gradations during the 2016-17 year registered a growth of 23.57% over the previous year 2015-16 while fresh slippages during FY2017 were 39.13% lower than the previous year 2015-16. The Net NPA increase from ₹.96,978 crore to ₹.1,10,855 crore during the periods 2016-17 and 2017-18 was mainly attributed to the material changes in the method of recognising corporate stressed assets occurred after the RBI's February 2018 notification. Despite this, the slippage ratio in FY2018 has declined to 4.85% from 5.78% in the previous year. Overall the Gross NPA Ratio stood at 10.91% and the Net NPA ratio at 5.73% at the end of FY2018. Provision Coverage Ratio (PCR) improved by 464 bps from 61.53% as on March 2017 to 66.17% as on March 2018.

According to the recent RBI financial stability report, Indian banks will require an additional capital of ₹. Five trillion to comply with Basel III norms, including ₹ 3.25 trillion as non-equity capital and ₹ 1.75 trillion in the form of equity capital over the next five years.

Capital Adequacy Ratio

This ratio is used to protect depositors and promote the stability and efficiency of financial systems around the world. It is ratio of capital fund to risk weighted assets expressed in percentage terms. The fundamental objective behind the norms is to strengthen the soundness and stability of the banking system.

Two types of capital are measured: tier one capital, which can absorb losses without a bank being required to cease trading, and tier two capital, which can absorb losses in the event of a winding-up and so provides a lesser degree of protection to depositors.

The Committee on Banking Regulations and Supervisory Practices (Basel Committee) had released the guidelines on capital measures and capital standards in July 1988 which were been accepted by Central Banks in various countries including RBI. In India it has been implemented by RBI w.e.f. 1.4.92. For supervisory purposes capital is split into two categories: Tier I and Tier II. These categories represent different instruments' quality as capital. Minimum requirements of capital fund in India according to the capital adequacy ratio are Existing Banks 9 %, New Private Sector Banks 10 %, Banks undertaking Insurance business 10 % and Local Area Banks 15%. Tier I Capital should at no point of time be less than 50% of the total capital. This implies that Tier II cannot be more than 50% of the total capital.

From the analysis of table 1.3 it is observed that Canara Bank and SBI are maintaining Capital adequacy ratio well above 9% all through the period under consideration indicating consistency and following the ideal norm of minimum of 9%. During the period study 2000-01 to 2017-18 the average capital adequacy ratio maintained by Canara Bank is 12.50% while SBI maintained 12.95% indicating stable and efficient systems in the working of financial and banking services.

Capital Adequacy Ratio of Canara Bank as at March 2018 stood at 13.22 % against regulatory requirement of 9%. Within the capital adequacy ratio, CET 1 ratio stood at 7.37% against requirement of 5.5% and Tier I Capital ratio was at 8.02% against the requirement of 7%. Adequate headroom is available for the Bank to raise capital in order to support business growth momentum. Further it is observed that the movement of both the bank's capital adequacy ratio is in the same direction and they are in line with the norms of RBI indicating soundness and stability of the banking system in providing services to depositors.

Table 1.3   Capital Adequacy Ratio   (In Percentage)

Year	Canara Bank	SBI
2000-01	9.84	12.79
2001-02	11.88	13.35
2002-03	12.50	13.50
2003-04	12.66	13.53
2004-05	12.78	12.45
2005-06	11.22	11.88
2006-07	13.50	12.34
2007-08	13.25	13.54
2008-09	14.10	12.97
2009-10	13.43	12.00
2010-11	15.38	11.98
2011-12	13.76	13.86
2012-13	12.40	12.92
2013-14	10.63	12.96
2014-15	10.56	12.79
2015-16	12.86	13.94
2016-17	11.08	13.56
2017-18	13.22	12.74

Source: Respective Annual Reports

PSBs Crisis

The PSBs have been facing challenging times for several years especially in the management of NPA. An overview of magnitude of danger of bad loans leading to crises of public sector banks in India is highlighted in the following table.

Table 1.4 PSBs Write- offs

Year	₹ . Crore
2013-14	34,409
2014-15	49,018
2015-16	57,585
2016-17	81,683
2017-18	1.2 Lakh

Source: Reserve Bank of India

The writing-offs by PSBs during the year 2013-14 was ₹.34,409 lakh crore and it increased by nearly fourfold in five years i.e., 2017-18 to ₹.1,20,000 lakh crore. The prominent factor for massive write-offs by PSBs is occurrence of host of scams and frauds in banking industry during this period. The write-offs during the year 2016-17 ₹. 81,683 lakh crore as against combined net profit of PSBs ₹.478.72 crore. During the financial year 2017-18 PSBs write-offs was ₹.1,20,000 lakh crore wherein for the same period PSBs reported staggering loss of ₹.85,370 crore, this is nearly one and a half times more than their total loses. 2017-18 is the year of massive write-offs and huge losses. The following are the suggestions that can control and provide a permanent solution to the banking industry.

Suggestions:

➢ The Unique Identifier (UID) or AADHAAR link as collateral and such information has to be utilised must be linked to bank account.

➢ Regulatory framework must be made very effective i.e., SARFERESI Act, Lok Adalats, Debt Recovery Tribunal and must not depend merely on the infusion of capital by Government of India to protect PSBs from stressed assets.

➢ Canara Bank and State Bank of India one of the reason for bad loans is manner of classification of loans (5 / 25) under corporate debt restructuring. Strategic debt restructuring as a tool must be reviewed to resolve bad loan problem.

➢ Employees need to have better clarity and communication so as to meet the expectations of the stakeholders and the impact of piled up bad loans otherwise may experience debt bomb.

➢ Establishment of one point comprehensive and reliable information support source for India bound investments, focusing on taxation, financial sector reforms and to facilitate mergers and acquisitions.

➢ Permitting bankers against defaulting entities auctioning of their assets.

➢ To reduce NPAs, the Government of India has to create a revival fund that would be helping the banking sector from the problem of troubled loans especially for PSBs.

➢ The loans are to be given on the value of projects and not on the personal guarantees of the promoters.

➢ To curtail the problem of bad loans, banks should utilise big data for fraud detection and faster sharing of information.

➢ Forensic audit must be advocated for all the bad loans since the rising trend of non-performing assets with the banks has the potential to damage the growth of banking sector.

Contribution of the Present Study

The Contribution of the study is in particularly in the area of Non-performing assets apart from other findings. The concept and its influence on the banking sector is not new to our country and our economy is experiencing the same ever since Narasimham committee expressed its concern in 1991 till today. Banking sector is stressed with NPA management as it remaining a challenge. The percentage of NPAs to the total loans and their impact on the profitability during the study has been found to be in increase in trend. Further a detailed observation was carried out on the Basel framework and its impact on the overall banking system in India with reference to selected PSBs. The significance of NPAs is felt by its negative impact on earnings of every bank. It has been found that an important factor for increase in trend in NPAs is mainly because loans have been granted to individuals rather than to the projects. Mounting NPAs added high credit costs affected the bank's ability to generate internal capital. It is observed that the banks must become conscious of recovery and must be focused manner. As banks to implement Basel III in the coming years need for asset quality is vital for banking sector. Banks must promote stability and efficiency of financial systems. The study concludes a better understanding and management of NPA leading to better policy framework can provide a solution for unresolved challenge of banking sector.

CONCLUSION

Public Sector Banks are playing an important role in developing the economy. The Indian Banking sector is the prominent contributor in service sector towards achieving the socio economic objectives. NPAs are the biggest challenge to the public sector banks and it has proven to be the most important bench mark in evaluating the financial performance of banks. Today the major challenge for public sector banks is problem of non performing assets. The NPAs would affect business cycles, legal framework, ethical standards, regulatory and supervisory system and bank specific facto₹ like credit appraisal system; credit recovery procedures risk management system and the motivational level of employees. The selected banks i.e., Canara Bank and State Bank of India has shown during the period 2000-01 to 2007-08 a consistent downtrend in Gross NPAs and NPAs. While remaining study period shown an increase in trend, the analysis of the banks for the period under consideration has indicated that the banks have established appropriate systems internally to eliminate at the earliest failure to identify NPAs, adherence to the classification norms of Reserve Bank of India and by utilizing effectively the vehicles for recovery NPAs.

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