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THE IMPACT OF CORPORATE GOVERNANCE ON FINANCIAL DISTRESS: EVIDENCE FROM VIETNAM

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Abstract

This study attempts to investigate the nature of the relation between corporate governance and financial distress in Vietnam in the period of 2015 to 2019. STATA is used to test these hypotheses and identify which theory better explains the relationship. The research supports stewardship theory which confirms the role of CEO duality in which the CEO also serves as chairperson will negatively associated with financial distress risk. Besides, this research provides evidence to support the relationship between board size and ZSCORE, and the one between board independence and ZSCORE.

Key words: financial distress, Vietnam, ZSCORE.

1. Introduction

Vietnamese securities market was established by the opening of Ho Chi Minh stock exchange on July 20, 2000, before the launching of Hanoi Stock Exchange on March 8, 2005. After over 20 years of operation, the Vietnamese securities market has played a significant role in capital raising for Vietnamese enterprises, as well as fostering the capitalization process of state-owned companies. Beginning with only two listed companies with a market capitalization of nearly USD 49.3 billion, in 2016, the number of listed companies is 678 with the market capitalization contributes 33% to GDP, 114 times higher than that in 2000. The securities market is now well organized with the existence of stocks, bonds, and derivatives. At the end of 2018, there are 1,558 listed companies in the market with a market capitalization amounting to 82.2% of the country's GDP. The Vietnamese securities market has shown foreign investors' attraction as number of foreign investors increases by 47.4% in 2017. Viet Nam government has set the target to transfer the securities market from frontier to emerging market in 2019 (Vu et al., 2019). The global financial crisis (GFC) in 2008 exposed many countries to economic risk. Vietnam is no exception. Countries around the world had experienced various macroeconomic problems, including a sharp spike in unemployment because of the decreasing in economic growth. In particular, credit risk substantially increased, leading to the bankruptcy of many businesses. According to the General Statistic Office of Vietnam (GSO), new firms established in 2015 numbered 92,264, but over 14,480 firms stopped doing business. Also, in 2015, a record of 8,510 firms went bankrupt. 12,478 firms went bankrupt in 2016, an increase of 31.8 percent compared to the previous year. (Pham Vo Ninh et al., 2018).

In addition, many researchers have attempted to determine corporate governance practices' quality and

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role in improving financial performance and mitigating various types of risks, specifically the risk of financial distress (e.g., Nasir and Ali, 2018; Luqman et al., 2018). The negative relation between the implementation of CG best practices and the possibility of the financial distress of the company is confirmed by Gruszczynski (2006). Elloumi and Gueyie (2001) took a sample of 46 stable and 46 troubled Canadian companies and discovered that the share of external managers and shareholders' control have a negative relationship with financial distress. The adoption of high-quality CG mechanisms as a method for managing the agency problem, as argued by Wang and Deng (2006) and Oteng-Abayie et al. (2018), tends to maintain a high level of company efficiency and preserve companies from the risk of financial distress. Mardnly et al. (2018) point out that the ownership structure positively impacts Syrian companies' financial output as one of the fundamental aspects of CG.

On the other hand, inadequate corporate governance sends a negative signal to the firm's health. Therefore, each corporation should choose the best-suited corporate governance to ensure its steady growth and avoid financial distress. There is no doubt that there is an interconnection between corporate governance and financial distress's possibility. Vietnam has just reached an early stage of growth in the context of corporate governance. In academia, Vo and Phan (2013) have a quantitative approach to corporate governance, and Nguyen (2008) has discussed corporate governance in Vietnam in several areas of law and legal consideration. Various empirical studies conducted successively by Vo and Phan (2013) on corporate governance and company performance in Viet Nam confirm that in the past, this necessary research and practice topic has not attracted considerable attention to research in Vietnam. The contribution of this research has two aspects. First, we calculate the Vietnamese firm's health through the Z-score model (Altman, 1968). Based on this score, we investigate the relationship between Z-score and corporate governance index to examine the impact of corporate governance on financial distress possibility.

This research provides the investigation into practicing corporate governance at the firm level and its financial distress measuring for a short period in Vietnam. The research pursues a way to understand better the relationship between corporate governance and financial distress risk. The main characteristics in corporate governance index that we want to observe is CEO duality, board size and board independence. In Vietnam, the bankruptcy prediction models developed in the literature mostly use only financial ratios as predictors. This research examines whether other variables, such as the corporate governance index, may provide additional bankruptcy prediction power. Besides, this study's findings might be consistent with the argument that good corporate governance leads to a better Z-score (firm in a safe zone).

Accordingly, the development of corporate financial distress' explanation and bankruptcy models, based on corporate governance index would make a contribution to financial and corporate governance framework. The questions answered by this research is:

How is the relationship between corporate governance and financial distress?

2. Literature Review

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2.1.The development of financial distress model

Financial distress resulted in three severe losses. First, the company can lose customers as well as the confidence of learning in the company; good employees and logistics providers will leave. Opler and Titman (1994) provide practical evidence that companies that face financial difficulties, in the long run, will lose significant market share to direct competitors. Second, a financially depleted company is likely to violate its debt service obligations or extend the time for interest and principal payments that are not entirely insolvent. These violations result in losses in finance, speeding up operations, inflexible and time-consuming operations of resources to negotiate with creditors. For example, when Delta Airlines violated the debt-to-equity ratio in 2002, creditors demanded to maintain cash and assets equivalent to $ 1 billion at the end of each month, starting from October 2002 to June 2003. Finally, it is difficult for a company with financial difficulties to participate in an active NPV project because outside investors feel unsafe when pouring investment capital (Froot et al., 1993).

In recent times, large businesses have been bankrupted in the US and Europe, such as Enron, WorldCom, Lehman Brothers, WaMu, ABB, Parmalat... this shocked investor. In Vietnam, the economic situation is also affected by the global downturn. The number of domestic enterprises is in a state of exhaustion, leading to bankruptcy, continuously increasing adverse effects on the nation's economy.

The history of financial distress prediction has established a series of statistical and measurement tools from a long time ago. The very first person to develop a foundation model for predicting financial distress was Paul J. FitzPatrick in 1932 in The Certified Public Accountant Journal; he published a dataset of 20 pairs of companies with accounting ratios which has been discussed carefully to be first introduced to the public as the elemental indicators of financial distress/bankruptcy forecast.

Since then, other researchers have always considered the accounting ratios as a basis for developing their methods. In particular, as Merwin (1942) findings, three critical financial ratios influence the firm's financial failure: Net working capital/Total assets, Current Ratio, Net worth to Ratio. Furthermore, Beaver (1967) also applied these ratios to evaluate the importance of independent accounting ratios. However, the most prominent was in 1968, when Edward I. Altman first introduced the "Multiple Discriminant Analysis" method. Therefore, it brought us one of the very first financial distress prediction models: the Z-Score Index. For more than five decades, this model still holds its steady among many methods and becomes a criterion for further research.

This model is based on formulating an essential formula of five important financial ratios formed from 7 variables in the economy, including five accounting variables and one market variables. Ramanujam (1984) concluded that the financial performance scale was crucial in evaluating a firm's financial stability and could be used widely to predict financial distress. Likewise, Beaver (1967) presented three linear financial model ratios that calculated solvency, liquidity, and profitability.

2.2.Financial Distress model in Vietnam

There have been several researches to determine this Z-score model. Alexakis (2008) evaluated Z-score's

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accuracy as if it could predict precisely the firm's failures. He inferred that the Z-score model effectively predicts failures for up to five years and might be used over the decision-making process for stock portfolios and business's strategies for allocation and organizing. Samarakoon and Hasan (2003) have examined Altman's Z-Score model's potential to predict financial distress in Sri Lanka, which is among the world's emerging economies. Mamo (2011) also applied the Z-score method to predict commercial banks' financial distress in Kenya based on the stability of accounting ratios. They found out the prediction is accurate for 80% of the failed firms. Otherwise, they proved that the Z-score model was correct on 9 out of 10 non-failed firms.

Through the continuous development of the market and the diversification in organizational structures, the Altman model, after nearly 30 years, has been widely applied and trusted by both investors and researchers. The Altman model became the standard in the field of financial distress forecasting and improved by many other researchers to be more accurate in measuring firms' financial health in the context of the modern economy.

In recent research, Ashraf, Felix and Serrasqueiro (2019) have proved that the Z-score model of Altman (1968) effectively conducts the emerging market. Altman's standard Z-score model with financial ratios is still useful for predicting developing countries' financial turmoil with emerging markets. It could be utilized by investors, financial analysts, managers, and other stakeholders who are concerned about investing in an enterprise or trying to improve their operational efficiency. The findings revealed that the model had an exceptional degree of preciseness in predicting financial distress by utilizing the financial ratios calculated from the previous year's financial statements. The overall performance rate of success was 81%, which is reported using the Z-score.

As mentioned above, Vietnam is an emerging market; therefore, the Z-score model of Altman (1968) is compatible with this research.

2.3.Corporate Governance Principles in Vietnam

Freeman and Nguyen (2006) argued that Vietnamese companies did not conform to current laws and regulations. However, although companies often complied with the laws and regulations, the activities found have also been significant deviations from the laws and regulations' intention or purpose. The research concluded with a series of specific recommendations to increase transparency, reinforce the board of directors' position and the inspection committee.

From 2008 to 2013, there have been several rapid developments in the legislative and regulatory systems to support corporate governance. Besides, the Corporate Governance Policy became obligatory for all public corporations when it was enacted in 2007. In 2008, McGee and R.W. conducted a comparative study of corporate governance in Indonesia, Malaysia, Thailand, and Vietnam. They pointed out that Vietnam had the lowest corporate governance score, only 50.9%. They continued to observe Vietnam in 2009, and none of the corporate governance scores is over 3.00 for the criteria:

1. Rights of shareholders

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2. Equitable treatment of shareholders
3. Role of stakeholders in corporate governance
4. Disclosure and transparency
5. The responsibility of the board

In 2012, the Corporate Governance Rules were amended to give businesses greater flexibility in their corporate governance activities. The Law on Independent Auditing was taken into action in 2011. Almost all of the securities market transparency rules were released during the last decade and amended in 2012. Robinett et al. (2013) mentioned that Vietnam's legal system is a civil law structure with some common law influences, especially concerning the corporate governance context. Also, they showed that these new regulations also promoted shareholder engagement, secured shareholders' interests, and increased the standard of transparency, which, in essence, enhances the broader regulatory system.

The law and legal system have advanced significantly in recent years and there is still room for progress. Vietnam Corporate Governance's regulations have been built based on the OECD Principles Corporate governance, an ideal starting point for multinational practice. The Vietnamese legal system has been gradually completed in a direction closer to international practices with legal documents issued in recent years such as The Law on Enterprises in 1999, and its replacement in 2005; The Law on Securities in 2006; and most recently, July 26, 2012, The Ministry of Finance has issued Circular 121/2012/TT-BTC regulating corporate governance for public companies. The implementation of the C.G. Regulations in 2007, while not very comprehensive, must be hailed as another positive move for Vietnam's corporate governance, including the first-ever collection of corporate governance rules for corporations in Vietnam, in general, and listed companies in particular. In brief, the practices of corporate governance in Vietnam have steadily improved.

2.4.Stewardship Theory

Davis et al. (1997) examined the approach based on psychological and social concepts to the relationship between shareholders and managers' benefit, which focuses on executives' behavior. The steward's theory notes that the steward preserves and maximizes shareholder capital through firm's efficiency. Stewards are the concept of company executives and administrators who work with shareholders, secure and make money for them. Smallman (2004) argued that if shareholder equity is maximized, the steward's utilities are also maximized so that corporate performance will fulfill much of the criteria, and the stewards will have a specific goal. When a single person occupies both the title of CEO and Chairman, the authority to decide the company's plan and strategies is the responsibility of only one person. The stewardship concept emphasizes facilitating and empowering instead of monitoring and controlling (Davis et al., 1997). Thus, the stewardship theory recommends the appointment of a single person as chairman and chief executive officer and a majority of professional executive directors rather than non-executive directors (Clarke 2004).

2.5.Agency Theory

Agency theory defines the relationship between the principals (such as shareholders of the company) and

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agents (such as directors of the company). Agency theory performs a different model compared with the stewardship theory. According to Jensen and Meckling's (1976) research, agency theory's key objective is to resolve the agency's issue resulting from the separation of ownership and control. This concept is considered a dominant position in understanding the directors' role in the firm's success. Zahra and Pearce (1989) analyzed research papers and summarized them as the vital guideline to discuss this relationship. Chaganti et al. (1985) and Platt and Platt (2012) both endorse the positive effect of reduced board sizes on the company's survival. Likewise, Al-Jaifi (2017) indicates that a large percentage of ownership accumulation is a low norm of corporate governance inferior addition; the agency dilemma encourages a distinction between the CEO and the President, as the CEO can be called an opportunistic agent (Ciampi, 2014). The presence of CEO duality can contribute to the maximization of managers' personal interests at the cost of the well-being of shareholders. With external capital, the firm can take advantage of cheaper capital from the outside and reduce costs. The first advantage of a larger board is its willingness to deal with more diversified concerns, and the second is an improvement in the influence of the organization on society due to its members' relationship. As a result, businesses with more directors can use more external capital than other firms for improved performance.

2.6.Corporate Governance and Firm Performance

Corporate governance relates to the way financial providers ensure they receive a fair return on their investments. Corporate governance clearly distinguishes between owner and manager. The managers are the deciding party. In modern businesses, the owner and manager's functions or duties should be clearly defined, rather than equating them. Gugler (1999) concludes that owner-controlled firms appear to outperform manager-controlled firms substantially, based on a comprehensive study through surveys mainly in the US and UK. Corporate governance is concerned with identifying ways to make effective strategic decisions. It gives supremacy and full responsibility to the Board of Directors. In today's market-oriented economy, the need for corporate governance is further enhanced. Besides, globalization or efficiency are also the factors that motivate Corporate Governance to arise. Corporate governance is essential to develop an added value for our stakeholders. Corporate governance ensures transparency, ensures healthy and balanced economic development. Apostolides (2010) demonstrated that good corporate governance standards of clear specification of board responsibilities and influential non-executive positions ensure transparency and accountability on behalf of the directors to provide objective and unbiased direction and a balance of authority (Institute of Chartered Accountants in England and Wales, 2008). He also concluded that they should show real appreciation of the concerns of even the small shareholders. This ensures that the interests of all major shareholders, as well as small shareholders, are protected. Corporate governance aims to ensure that all shareholders fully exercise their rights and that the organization or enterprise fully recognizes their rights.

Corporate governance is the structure and process for the direction and control of companies. It also addresses relationships between managers, directors, shareholders, and other stakeholders. Corporate governance opens the door to public information; high transparency and accountability are critical

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elements of best corporate governance, striving for businesses, and communes' sustainability. According to Fung (2014), transparency is a key aspect of 'healthy' governance, integrating a system of controls and balances between boards of directors, management, auditors and other stakeholders. Firms should make publicly known the roles and responsibilities of board and management to provide stakeholders with a level of accountability as claimed by the principles of corporate governance of Sarbanes-Oxley (SOX) Act of 2002. To avoid mismanagement, good corporate governance is needed to enable companies to operate more efficiently, improve access to capital, minimize risks, and protect stakeholders' interests. It also makes companies more accountable and transparent to investors to minimize misappropriation and unfairness to shareholders. Accountability assures that the company's resources is utilized in the most efficient way as well as for the most applicable goals without improper consideration for personal preferences.

Corporate governance makes companies more accountable and transparent to investors. It also provides them with the tools to respond to legitimate stakeholders' concerns, such as social development and environmental sustainability. It contributes to the development and increase of access to capital, encourages new investment, promotes economic growth and provides job opportunities. The lack of corporate governance can lead to loss of profits, corruption, and blur the corporate image. It will affect the global economy not only for business, but also for society. A Corporate governance principle is shareholder recognition, a policy that all shareholders have a say in a company's internal operations. Shareholder recognition also guarantees the value of a company stock. BOD members' rules and responsibilities must also be clarified to ensure that everyone has a shared vision of its future. Stakeholder interests address non-shareholder participants' needs—outreach to non-members, thereby promoting better communication and relationships with the media and the community. Corporate governance ethical guidelines are also essential to ensure higher profits and keep the company out of legal trouble. These rules apply to employees and board members. Bonn and Fisher (2005) argued that the legal policy of the company must be discussed in the corporate governance framework. Corporate governance is compatible with the ethical principles laid out in the rules of conduct for boards of directors and employees, as well as the corporation's mission statement of the company, its general goals and strategies, and its support for functional strategies.

Poor corporate governance practice can also be fraught with doubts about the reliability, integrity, and obligations to its shareholders. Tolerance or support for illegal activities can create media scandals. Bad corporate governance practices can include:

Firms that do not cooperate fully with the auditor or choose an auditor of the right size and quality, leading to documents' publication, fake financial statements, or non-compliance.

- Poor operating compensation packages do not create optimal motivation for employees in the company.

- The Board of Directors has an attached structure that makes it too difficult for shareholders to overthrow incumbents who work irresponsibly, have many violations, etc.

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Z-score is an appropriate method to evaluate firm performance. If the company is in a danger zone, it may face financial distress risk and go bankrupt. Thus, this study contributes to the literature and an on-going debate among regulators in Asia, particularly in Vietnam, by examining the relationship between corporate governance practices and firm evaluation through the Z-score model.

2.7.Previous researches

M. Manzaneque et al. (2016) showed that corporate governance structures such as the ownership of boards, board size, and the number of independent directors minimize the risk of financial distress. Ownership concentration, institutional or non-institutional significant shareholders, and CEO duality, however, have no remarkable effect on the risk of financial distress. This research offers empirical evidence regarding the negative relationship between board size and financial distress likelihood.

Judge and Zeithaml (1992) report that board size and diversity are negatively related to board involvement in strategic decisions, and, further, board involvement has a favorable impact on financial performance. Goodstein, Gautam, and Boeker (1994) argue that a large and diverse board would have limited effectiveness in directing strategic change when the firm falls into financial distress.

Simpson and Gleason (1999) investigated board structure, ownership, and financial distress in banking firms. The following aspects of ownership and governance were considered: ownership by directors and offices, ownership by the CEO, number of directors, percentage of inside directors, and CEO duality. They found that the combination of CEO and chairman into one position reduces the probability of financial distress. Daily and Dalton (1994b) provide evidence that CEO duality is positively related to bankruptcy.

The effect of some governance factors like ownership, independent directors, and agency costs on financial distress was also examined by Li et al. (2008). Their study's main findings were a negative relationship between financial distress and ownership concentration, state ownership, ultimate owner, independent directors, and auditors' opinion.

However, according to Wang and Xiao (2006) investigation, after investigating the relationship between CG characteristics and the risk of financial distress in the context of the Chinese transitional economy, they found that broad shareholder ownership, state ownership, and the proportion of independent directors are negatively associated with the probability of distress. They used a sample of 96 financially distressed companies and 96 healthy companies. The results also indicate that the degree of balanced ownership, managerial ownership, the board size, and CEO duality does not significantly affect default probability.

The findings of Shahwan and Habib (2020) show an insignificant association between CG efficiency and a firm's financial distress. Demirkan and Platt (2009) indicated that companies are less likely to be engaged in financial distress under good corporate governance attributes. They used corporate governance quality as extracted from the IRRC database applied to US manufacturing firms between 2001 and 2003. They found that firms' managers appear to exercise discretionary accruals when their firms are in the mid-range or a gray area of the Altman Z in order to avoid being classified as distressed or if they are successful in doing it to be classified as a healthy

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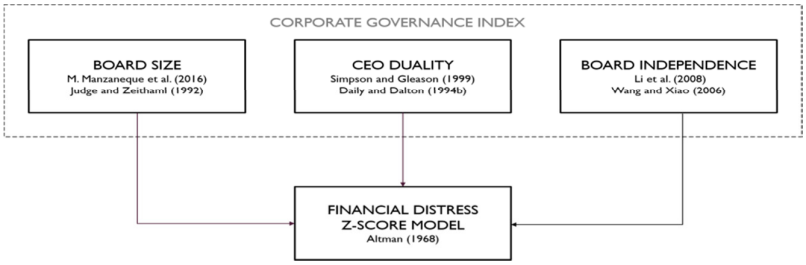
firm. Hence, it is noticed that there is an inconclusive consensus on corporate governance's effect on a company's financial distress.

Figure 1. Conceptual Framework



2.8.Hypothesis development

This thesis studies the correlation between corporate governance and financial distress, which is measured by Z-score by examining a sample of Vietnamese firms in 2015 to 2019. Based on the stated purpose, the literature review, and research questions, the following hypotheses are formulated:

Hypothesis 1: Firms with large board size have a low probability of financial distress

Hypothesis 2a: Firms with CEO duality have a high probability of financial distress.

Hypothesis 2b: Firms with CEO duality have a low probability of financial distress.

Hypothesis 3: Firms with a higher proportion of independent directors have a low probability of financial distress.

Hypothesis 4: Firms with good corporate governance have a low probability of financial distress.

3. Methodology

3.1.Data collection

The data is collected from the 250 firms listed on HOSE from the period of 2015 to 2019 through Thomson Reuters.

3.2.Data analyzing

Quantitative method is appropriate for this paper since the goal of the study is to determine the relationship between corporate governance and financial distress. This empirical research uses secondary data derived from the company's quarterly and annual reports to test how the corporate governance index is related to financial distress probability. STATA is used for running research models and testing hypotheses.

3.3.Variable measurement

The Z-score formula: $Z = 1.2X1 + 1.4X2 + 3.3X3 + 0.6X4 + 0.999X5$

X1 = Working Capital / Total Assets

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X2 = Retained Earnings / Total Assets

X3 = Earnings before Interest and Taxes / Total Assets

X4 = Owner's Equity / Total Liabilities

X5 = Sales/ Total Asset

After calculating the Z-score, the zones of discrimination is presented as below:

- Z ≤ 1, 81: The firm has serious financial problems ("Distress" Zone).

- 1,81 < Z < 2,99: The firm do not have financial problems in the short term, but should be cautious in the future ("Grey" Zone).

- 2,99 ≤ Z: The firm is in a healthy financial position ("Safe" Zone).

Variables in this study include dependent variables and independent variables. The details are listed in Table 2 below.

Table 2. Variables description

Variables	**Definition**	**Measurement**
Dependent Variable ZSCORE	Z-score ratio	Discriminant model of Atlman (1968)
Independent Variables CGI	(Corporate Governance index) *Board function* *Audit committee* *Remuneration committee* *Nomination committee*	
BSIZE	Board size	Total number of board of directors
DUAL	CEO Duality	Coded "1" if CEO is also chairman and "0" for other case
INDE	Board independence	Proportion of independent members over total members
Control Variables SIZE	Firm Size	Natural log of market capital

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ROA	Return on assets	Earning after tax/Total assets
LEV	Leverage	Total company debt/Owner's equity

3.4.Research Model

The following model specification is used:

$$ZSCORE = \beta_0 + \beta_1 (CGI) + \beta_2 (BSIZE) + \beta_3 (DUAL) + \beta_4 (INDE) + \beta_5 (SIZE) + \beta_6 (ROA) + \beta_7 (LEV)$$

4. Data analyzing, Results and interpretation

4.1. Descriptive analyzing

Table 1 below reports characteristics of the dataset used in this study including number of observations, mean, standard deviation, max value and min value of independent and dependent variables. The sample include 1250 observations belonging to Ho Chi Minh Stock Exchange (HOSE).

Table 1. Descriptive Statistics of Variables

Variable	Obs	Mean	Std. Dev	Min	Max
ZSCORE	1250	2.664202	1.837654	-1.622986	11.98022
CGI	1250	3.479532	2.106961	0	10
BSIZE	1250	6.076023	1.463299	3	11
DUAL	1250	.7660819	.424564	0	1
INDE (%)	1250	.1823587	.1649949	0	.5555556
SIZE	1250	28.77044	1.332366	27.2579	33.34858
ROA (%)	1250	.0912486	.0930175	-.2894412	.4769166
LEV (%)	1250	1.214307	.9734766	.0740875	7.001624

In the sample, the mean value of ZSCORE is 2.664202 which is still in Grey Zone according to Altman (1968) while the standard deviation is approximately 1.8. This indicates that most of firms in Vietnam are neither well performed nor distressed. Similar with ZSCORE, CGI presents low corporate governance performance in Vietnamese listed firms on HOSE. The average CGI is about 3.479532 with standard deviation of 2.106961. In Vietnam, there are firms that have no point at all in their corporate governance index. Therefore, these firms have the minimum score which is 0 point. By contrast, there are outstanding firms that achieve the maximum value in corporate governance index, which is 10 points. The average

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BSIZE is about 6 members with the range of 3 – 11. The INDE average is 18.23587% and the fluctuation is about 16.5%. Hence, we observed that this percentage is significantly lower than the principle of having at least 1/3 independent directors (about 33%). SIZE has a mean value of 28.77044 with the range of 27.2579 – 33.34858 and the standard deviation is 1.332366. ROA has a mean value of 9.12486% with standard deviation of 9.30175%. The leverage average was about 121.4307% with a range of 74.0875% – 700.1624%. Therefore, it can be inferred that these firms on HOSE depend heavily on debt for financing their activities.

4.2. Multicollinearity

Table 2. Pairwise Correlation

	ZSCORE	CGI	BSIZE	DUAL	INDE	SIZE	ROA	LEV
ZSCORE	1.0000							
CGI	0.1636**	1.0000						
BSIZE	0.0236	0.4212***	1.0000					
DUAL	0.2438***	0.3694***	0.0383	1.0000				
INDE	-0.0209	0.4362***	0.1591**	0.1459	1.0000			
SIZE	-0.0238	0.3089***	0.2516***	0.0601	0.1259	1.0000		
ROA	0.7241***	0.0378	-0.0271	0.1101	-0.0980	0.0562	1.0000	
LEV	-0.5333***	-0.1245	-0.0322	-0.1719***	-0.0259	-0.0677	-0.5457***	1.0000

Note: * (the correlation coefficient significant at 10% level); ** (the correlation coefficient significant at 5% level); *** (the correlation coefficient significant at 1% level).

Table 2 presents a matrix of correlation among variables. In Table 2, the relationship between CGI and ZSCORE is positive and the correlation coefficient significant at 5% level. This means the firms with better corporate governance would have a low probability of financial distress (higher ZSCORE). BSIZE and DUAL both show the positive relationship with ZSCORE. The coefficient significant of DULA is 1%, which is relatively high. Besides, INDE showed the negative relationship with ZSCORE. However, the correlation coefficient of BSIZE and INDE is quite small, which means insignificant. Besides these independent variables, the results also show the strong relationship between ROA, LEV and ZSCORE (both correlation coefficient significant at 1% level). It is reasonable as the firms with higher return on asset and lower leverage ratio (able to pay their debt) will have less probability of financial distress.

Because BSIZE, DUAL, INDE are also criteria for corporate index, obviously theses variables have significant relationship with CGI. The results also show that they are significant at 1% level. Moreover, the CGI is positively associated with SIZE. Khanchel (2007) had examined this relationship through the board committees and the audit system. The lager firm is, the stronger corporate governance quality it needs. He explained that the operations of a "small" firm could be monitor easier than large firms because

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larger one has more agency problems and would thus try to construct better corporate governance system.

The positive relationship between BSIZE and INDE is consistent with Bonne et al. (2007) when they showed that the increase in board size leads to the addition of independent members of BOD. BSIZE is also related with SIZE positively at 1% level as indicated by Lehn, Patro and Zhao (2003).

The maximum coefficient of correlation matrix is 0.7241 via relationship between ROA and ZSCORE. In addition, the VIF factor (Variance Inflation Factor) is also presented in Table 5. In general, the VIF factors are smaller than 2 and the maximum value is 1.78. It means that the model does not contain multicollinearity.

Table 3. Variance Inflation Factor

Variable	**VIF**	**1/VIF**
CGI	1.78	0.561286
LEV	1.46	0.683255
ROA	1.46	0.685923
BSIZE	1.27	0.789488
INDE	1.26	0.793717
DUAL	1.21	0.828516
SIZE	1.13	0.881911
Mean VIF	1.37	

4.3. OLS Regression

This research uses a OLS regression in order to analyze the relation between corporate governance and financial distress. Because there is no value of ZSCORE need to be censored, and there is no panel data; hence, OLS Regression is suitable for this study.

Table 4. OLS Regression of ZSCORE on Corporate Governance and Control Variables

ZSCORE	**Coef.**	**Std. Err.**	**t**	**p-value**	**[95% Conf.**	**Interval]**
CGI	.1001116*	.0584723	1.71	0.000	-.0153492	.2155723
BSIZE	.0174328	.0709892	0.25	0.000	-.1227443	.1576099
DUAL	.4895336**	.2388388	2.05	0.042	.0179166	.9611505
INDE	.2115917	.6279067	-0.34	0.000	-1.451472	1.028288
SIZE	-.1564938**	.073767	-2.12	0.035	-.302156	-.0108316
ROA	12.24749***	1.198109	10.22	0.000	9.881678	14.61331

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LEV	-.319049***	.1147047	-2.78	0.006	-.5455478	-.0925502
_cons	5.645752	2.088005	2.70	0.008	1.522726	9.768777

Note: * (the correlation coefficient significant at 10% level); ** (the correlation coefficient significant at 5% level); *** (the correlation coefficient significant at 1% level).

Table 4 shows the results of running OLS Regression of ZSCORE on the performance corporate governance and control variables. The coefficient on CGI is 0.1 which is positive, suggesting that when CGI increases by 1 point, the ZSCORE of firms in the data increases by 0.1 point. In other words, higher corporate governance index leads to lower probability of financial distress. The positive coefficient shows that the nature of the relationship between ZSCORE and corporate governance of firms in the sample supports the hypothesis 4. Accordingly, the results support H4 in stating that corporate governance negatively affects the likelihood of a firm's financial distress.

Table 4 also shows the CEO duality has positive correlation with ZSCORE with significant level at 5%. This finding supports the stewardship theory rather than agency theory, in which the role of CEO as chairperson is emphasized to control firms more efficiently. This is consistent with the results of Davis, Schoorman and Donaldson (1997), who explored that the mechanism of duality's impact on firm performance. In particular, Vo and Nguyen (2014) confirmed the role of CEO duality in which the CEO also serves as chairperson in improving firm performance which is lower the probability of financial distress. Moreover, as chairperson, CEO will understand the company's whole market and vision and make more precise decisions. Therefore, it supports the hypothesis 2b: firms with CEO duality have a low probability of financial distress.

For board size and board independence, this research provides evidence to support the relationship between board size and ZSCORE, and the one between board independence and ZSCORE. The positive relationship between board size and ZSCORE is consistent with the study of Manzaneque and Merino (2016). However, the positive relationship between board independence and ZSCORE is different with finding from previous studies including Wang and Deng (2006), Manzaneque and Merino (2016), Mangena and Chamisa (2008). Moreover, the results from this study are statistically significant for board size and board independence, respectively. Therefore, H1 and H3 are supported.

The result shows that size is negatively related with ZSCORE. In other words, larger firm size is likely to be distressed. This can be explained that large firms may have greater agency problems (because it is harder to monitor them or because of the "free cash flows" argument of Jensen (1986)) and therefore it is easier to be in distress zone. Besides, ROA is positively associated with ZSCORE at 1% significant level. This result is consistent with Tasman and Masdupi (2014) where profitability is one of vital determinants of a company's financial distress probability. Last but not least, there is negative relationship between leverage ratio and ZSCORE. Otherwise, higher leverage ratio will lead to more financial distress probability. This finding is in line with Malik (2013), Vo 2016 and Felıcio et al. (2018) which higher leverage contributes to greater financial distress.

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5. Conclusion

The main findings of this study present relation of corporate governance and financial distress. After running the regression, the evidence is consistent with the previous studies. To be more specific in term of the results, firstly, the corporate governance performance is negatively related with financial distress probability. Secondly, the research supports stewardship theory which confirms the role of CEO duality in which the CEO also serves as chairperson will negatively associated with financial distress risk. Thirdly, this empirical research provides an analytically evidence to support the significant relationship between the board independence, board size and financial distress.

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ASSESSING THE FACTORS AFFECTING THE GROWTH OF INFORMAL SECTORS IN BANGLADESH: AN EMPIRICAL STUDY ON BARISHAL CITY

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ABSTRACT

Objective: Despite the significant role of the informal sector in Barishal City's economy, there is limited empirical research exploring the specific factors influencing its growth. This study aims to identify and analyze the key factors affecting the growth of the informal sector in Barishal City, Bangladesh, to provide insights for policy development. ***Design/Methods/Approach:*** The study used a survey questionnaire method, and data were collected from 240 respondents in Barishal's slum areas using cluster sampling. The data were analyzed through SPSS-24. ***Findings:*** The study explored various factors affecting the growth of the informal sector in Barishal. These factors included unemployment (UEP), poverty (PVT), education and skills (LEAS), small enterprise size (SES), taxes (TX), family backgrounds (FB), and inadequate funding (IF) as independent variables, with the growth of the informal sector (GIS) as the dependent variable. The main focus was on how these factors influence the growth of the informal sector (GIS). The findings showed that unemployment significantly drives the growth of the informal sector in Barishal's slum areas. Additionally, poverty also plays a major role in this growth. Challenges such as unfavorable working conditions, irregular income, long working hours, and health and occupational risks were also identified as significant obstacles to the growth of the informal sector. ***Originality:*** This study presents a novel investigation into the factors influencing the expansion of informal sectors specifically in Barishal City, Bangladesh. By conducting an empirical analysis, it offers original insights into the unique dynamics driving informal sector growth in this urban context.***Implication:*** Despite encountering challenges in the informal sector, it holds considerable growth potential and numerous positive prospects. If the government addresses these challenges, the sector could contribute to future economic growth. The findings can inform future policymaking in urban planning, employment, and income distribution in Bangladesh.

Keywords: Bangladesh, Barishal, Factors, Growth, Informal Sector.

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1. Introduction

The informal sector provides individuals with opportunities to start businesses, enter new markets, and develop skills essential for thriving in a globalized world. The concept of the informal sector was introduced by the International Labor Organization (ILO) in 1972 (Adhikari, 2012). This sector is increasingly important in the global employment economy and is becoming a major source of job creation. In Bangladesh, out of 51.7 million economically active people, 83% are involved in the informal sector (Ahmed et al., 2014). Typically, individuals in this sector are low-wage earners or independent contractors working in very small, unregistered businesses, such as those in services, construction, and agriculture (Ahmed et al., 2016). The informal economy encompasses all economic activities not regulated or taxed by the government (Matter et al., 2013).In Bangladesh, many workers are turning to the urban informal sector for employment due to the formal sector's inability to accommodate the growing labor force (Asfuroglu& Elgin, 2016). The expansion of Bangladesh's informal economy is driven by several factors, primarily the formal sector's failure to provide sufficient job opportunities for the increasing labor population, prompting many to seek work in the urban informal sector (Bargain &Kwenda, 2015).Additionally, the growth of the informal sector is fueled by weak rule of law, bureaucracy, corruption, and ineffective tax regulation (Mitra, 2017). Heavy reliance on a single industry, such as the ready-made clothing sector, limits economic diversity and employment growth, pushing more people into the informal sector (Benjamin et al., 2014). Many workers are attracted to the informal sector due to the absence of social benefits, employment stability, and legal protection. Despite its importance, the informal sector faces challenges like limited access to resources and support, hindering its potential to improve socio-economic conditions (Bonnet, 2019).Several factors contribute to the expansion of the informal sector, including a weak and poorly managed welfare state, social policy instability, lack of trust in institutions, unequal distribution of welfare benefits, FDI inflows, poverty, unemployment, rapid urbanization, family backgrounds, inadequate funding, education levels, immigration, government size, and inflation (Bouazza&Ardjouman, 2015).

The expansion of the informal sector is often linked to external factors such as wage disparities, political actors who lack understanding of modernization, and institutions that favor formal economic activities (Calfat et al., 2018). Other contributing factors include the size of the economy, the number of agricultural workers, income disparities between urban and rural areas, and policies aimed at lending to the informal sector in rural regions (Hasan&Alam, 2015).In many countries, especially developing ones, a significant portion of the economy consists of the informal sector (Chatterjee&Turnovsky, 2018). It is estimated that 80-90% of workers in South Asia are employed in the informal economy. Since most workers in this sector are involved in unrecognized, low-productivity, and unregulated activities, the large scale of precarious employment hinders steady and sustainable development (Chowdhury et al., 2012).In Bangladesh, the informal sector plays a crucial role in contributing to GDP and providing employment, particularly for less skilled individuals in both urban and rural areas. Workers in this sector do not pay taxes or report their income. Despite its significant contribution to developing economies, the informal sector is often stigmatized as problematic and uncontrollable (Elgin &Birinci, 2016).

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Several factors have driven the growth of informal sector businesses, including inadequate funding, insufficient infrastructure services, low family income, lack of education and training, and poor government policies (Moahid&Maharjan, 2020). The unorganized labor force not only remains unregulated and untaxed but also lacks protection (Ghosh et al., 2017). Unlike formal sector workers, those in the informal sector are generally not covered by structured pension systems, whether mandatory or voluntary. They often lack official registration or documentation, making it difficult for authorities to include them in various schemes. Due to the economic importance of the urban informal sector, policymakers in Bangladesh are increasingly focusing on it.This study aims to address gaps in the literature by examining employment in the informal sector of Bangladesh's metropolitan areas. Previous research has only briefly touched on the informal sector in Bangladesh, leaving a gap in understanding the factors contributing to its growth in urban areas. There is limited research on the processes and challenges involved in the development and operation of informal sector businesses. Therefore, the primary objective of this research is to identify the driving forces behind the expansion of the informal sector in Barishal city. Additionally, it seeks to understand the challenges associated with employment in Bangladesh's urban informal sector.

The study's findings could have various significant impacts. It fills a gap in the current literature on employment in Bangladesh's informal sector by providing a comprehensive analysis of this industry. The researchers identified several knowledge gaps after reviewing existing literature. While some researchers in Bangladesh have expressed concern about the informal sector, they have not thoroughly addressed the factors driving its expansion. No research has been conducted on this topic in Barishal city, making this study particularly unique and important.This study aims to fill the gap by addressing two research questions: (a) what are the factors behind the growth of the informal sector in Barishal city?, and (b) what are the major challenges associated with the growth of the informal sector in Barishal city? The purpose of this study is to offer a detailed review of Bangladesh's urban informal sector, investigate the factors responsible for its growth, and examine the challenges hindering its development.

2. Conceptual Framework Associated with Hypothesis

The conceptual framework of this study posits that high levels of unemployment, widespread poverty, insufficient education and skills, small enterprise sizes, heavy tax burdens, disadvantaged family backgrounds, and inadequate financial resources collectively contribute to the growth of the informal sector. Each independent variable is expected to exert varying degrees of influence on the dependent variable, reflecting their individual and combined impacts on the informal sector's expansion. By analyzing these factors systematically using empirical data collected through surveys. The study aims to provide insights into the dynamics shaping informal economic activities in urban settings, particularly in Barishal city's slum areas. Notwithstanding, the independent variables under scrutiny include unemployment (UEP), poverty (PVT), education and skills (LEAS), small enterprise size (SES), taxes (TX), family backgrounds (FB), and inadequate funding (IF). These variables are hypothesized to impact the growth of the informal sector (GIS), which serves as the dependent variable in this research framework *(Figure 1).*The focus is to empirically examine how each of these factors contributes to the

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proliferation of informal economic activities within the specific context of Barishal city in Bangladesh. The entire associated hypothesis is postulated accordingly:

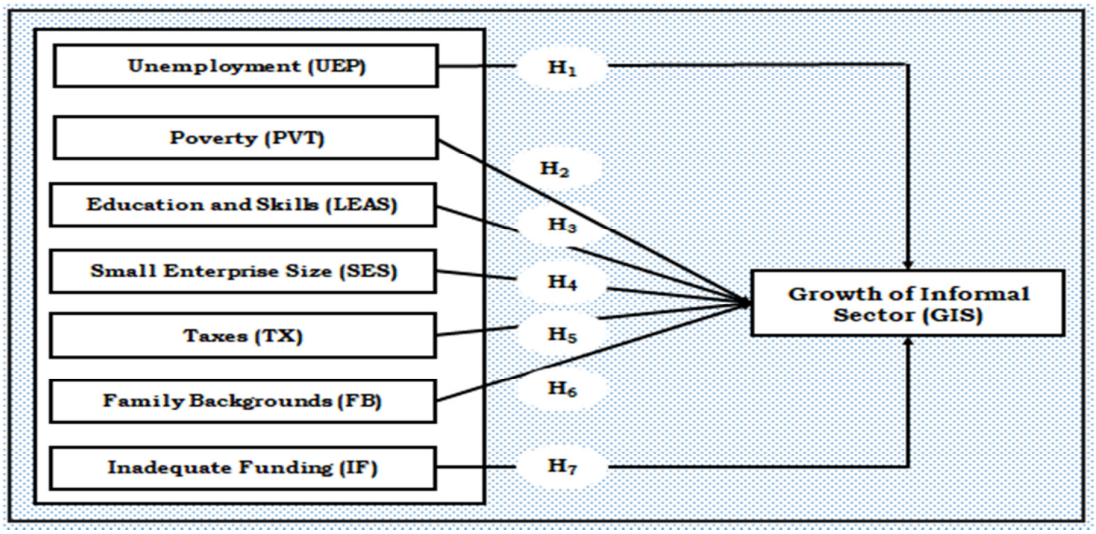

Figure 1: Conceptual Framework

H_1: *There is no positive relationship between UEM and GIS in Barishal city.*
H_2: *There is no positive relationship between PVT and GIS in Barishal city.*
H_3: *There is no positive relationship between TAX and GIS in Barishal city.*
H_4: *There is a positive relationship between LEAS and GIS in Barishal city.*
H_5: *There is a positive relationship between FB and GIS in Barishal city.*
H_6: *There is a positive relationship between SES and GIS in Barishal city.*
H_7: *There is no positive relationship between IF and GIS in Barishal city.*

3. Methodology

This study employed a descriptive survey research design to provide numerical summaries of a subset of the population. The choice of this design was deliberate due to constraints in time and resources. It allowed the researcher to assess the impacts of various independent variables on the dependent variable. By collecting data from respondents, the study utilized quantitative methods to objectively evaluate and investigate the phenomenon in Barishal city's slum areas, where approximately 18,000 people reside in this area. Moreover, sampling involves gathering a group of individuals and asking them identical questions about their characteristics, qualities, lifestyles, or opinions (Mondal, 2017). In this study, cluster sampling techniques were employed to select a representative sample size from the target population. Due to constraints in time and budget, a sample of 240 respondents was chosen. The clusters were drawn from six slums in Barishal, and respondents were purposively selected from these clusters. All selected members from each cluster were included in the study *(Table 1).*Specifically, 40 respondents were purposively chosen from each zone or cluster to participate in interviews.Descriptive statistics, including

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frequencies, ratios, and percentages, were utilized to depict various socio-economic and demographic characteristics of the informal sector across multiple slums in Barishal city. The Statistical Package for Social Science (SPSS) was employed as a tool to analyze the gathered data.

Table 1: Sampling table of general respondents

Zone	Respondents in each zone
Stadium colony slum	40
Vatarkhal slum	40
PalaspurGuchchogram slum	40
Namar Char slum	40
Kirtonkhola slum	40
Burir char slum	40
Total number of respondents	**240**

(Field survey, 2024)

4. Results

4.1 Respondents' Demographic Information

Table 2 presents the demographic data of the respondents. The majority, 35%, are aged between 21 and 30 years. Additionally, 27.67% are between 10 and 20 years old. Respondents aged 31 to 40 make up 28.33%, while only 9.17% are between 41 and 50 years old. Unfortunately, a significant portion of respondents have not completed grade 8, indicating a very low level of education. Only 4.17% and 14.17% have completed upper secondary education, while just 1.67% enrolled in higher secondary education but did not finish. Furthermore, 35% of respondents are illiterate. Among the occupations, street sellers constitute 30.83%, hawkers 35.83%, shoe shiners 27.5%, and cleaners 5.83%.

Table 2: Socio-demographic Characteristics of the Respondents

Variable	Attributes	Frequency	Percentage
Age	10-20	66	27.5
	21-30	84	35
	31-40	68	28.33
	41-50	22	9.17
		N=240	100
Educational Status	Illiterate	84	35
	Under Grade 8	108	45
	S.S.C.	34	14.17
	H.S.C.	10	4.17
	Higher Level Education	4	1.67
		N=240	100

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Occupation	Street Vendors	74	30.83
	Hawkers	86	35.83
	Shoe Shiners	66	27.5
	Cleaner	14	5.83
		N=240	100

(Field survey, 2024)

4.2 Descriptive Statistics

The first result of the factor analysis is a table with descriptive statistics (Table 3) for each variable under investigation, showing the mean, standard deviation, and respondent count. The analysis reveals that the variable with the greatest impact on the growth of the informal sector is LEAS (level of education and skills), with a mean of 2.8333. Poverty (PVT) follows as the second most significant variable, with a mean of 2.6350, and unemployment (UEP) is the third, with a mean of 2.6143.

Table 3: Descriptive Statistics

Descriptive Statistics			
	Mean	**SD**	**N**
Unemployment (UEP)	2.6143	.84711	240
Poverty (PVT)	2.6350	.96442	240
Level of Education and Skills (LEAS)	2.8333	.98470	240
Small Enterprise Size (SES)	2.2671	.61701	240
Tax (TX)	2.0467	.45453	240
Family Background	1.7850	.89707	240
Inadequate Funding (IF)	1.3391	.41230	240

(Field survey, 2024)

4.3 Correlations

4.3.1 Unemployment (UEM) and Growth of Informal Sector (GIS)

Table 4: Correlation between Unemployment (UEM) and Growth of Informal Sector (GIS)

Correlations			
		UEM	**GIS**
Unemployment (UEM)	Pearson Correlation	1	.656**(1)
	Sig. (2-tailed)		.000(1)
	N	240	240
Growth of Informal Sector (GIS)	Pearson Correlation	.656**(1)	1
	Sig. (2-tailed)	.000(1)	
	N	240	240

(Field survey, 2024)

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Pearson's correlation coefficient (r) of 0.656, or 65.60%, indicates a strong positive relationship between unemployment and the growth of the informal sector, as shown in Table 4. The positive r value means that as rural-to-urban migration increases and job availability decreases, the growth of the informal sector also increases. The p-value of 0.000, which is less than 0.05, signifies a significant correlation between unemployment and the growth of the informal sector. Therefore, if the unemployment (UEP) rate rises or falls, the growth of the informal sector correspondingly increases or decreases.

4.3.2 Poverty (PVT) and Growth of Informal Sector (GIS)

Table 5: Correlation between Poverty (PVT) and Growth of Informal Sector (GIS)

Correlations			
		PVT	**GIS**
Poverty (PVT)	Pearson Correlation	1	.374**(2)
	Sig. (2-tailed)		.003(2)
	N	240	240
Growth of Informal Sector (GIS)	Pearson Correlation	.374**(2)	1
	Sig. (2-tailed)	.003(2)	
	N	240	240

(Field survey, 2024)

Pearson's correlation coefficient (r) of 0.374, or 37.4%, indicates a weak relationship between poverty (SAL) and the growth of the informal sector (GIS), as shown in Table 5. The positive r value suggests that as poverty increases, the growth of the informal sector also increases. The p-value of 0.003, which is less than 0.05, indicates a significant correlation between poverty and the growth of the informal sector. Therefore, if the poverty (PP) rate rises or falls, the growth of the informal sector will correspondingly increase or decrease.

4.3.3 Level of Education and skills (LEAS) and Growth of Informal Sector (GIS)

Table 6: Correlation between Level of Education and skills (LEAS) and Growth of Informal Sector (GIS)

Correlations			
		LEAS	**GIS**
Level of Education and skills (LEAS)	Pearson Correlation	1	.710**(3)
	Sig. (2-tailed)		.000(3)
	N	240	240
Growth of Informal Sector (GIS)	Pearson Correlation	.710**(3)	1
	Sig. (2-tailed)	.000(3)	
	N	240	240

(Field survey, 2024)

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Table 6 displays a strong positive correlation, with a Pearson's correlation coefficient (r) of 0.710 or 71%, between the level of education and skills and the growth of the informal sector. This indicates that as levels of education and skills increase, so does the growth of the informal sector. The p-value of 0.000, which is less than 0.05, confirms a significant correlation between these variables. Therefore, changes in levels of education and skills will directly influence changes in the growth of the informal sector.

4.3.4 Small Enterprise Size (SES) and Growth of Informal Sector (GIS)

Table 7: Correlation between Small Enterprise Size (SES) and Growth of Informal Sector (GIS)

Correlations			
		SES	**GIS**
Small Enterprise Size (SES)	Pearson Correlation	1	.468**(4)
	Sig. (2-tailed)		.000(4)
	N	240	240
Growth of Informal Sector (GIS)	Pearson Correlation	.468**(4)	1
	Sig. (2-tailed)	.000(4)	
	N	240	240

(Field survey, 2024)

Table 7 indicates a weak positive correlation, with a Pearson's correlation coefficient (r) of 0.468 or 46.8%, between small enterprise size (SES) and the growth of the informal sector. This means that as the size of small enterprises increases or decreases, there is a corresponding increase or decrease in the growth of the informal sector. The p-value of 0.000, which is less than 0.05, confirms a statistically significant correlation between these variables. Therefore, changes in the size of small enterprises will impact the growth of the informal sector.

4.3.5 Correlation between Tax (TX) and Growth of Informal Sector (GIS)

Table 8: Correlation between Tax (TX) and Growth of Informal Sector (GIS)

Correlations			
		TX	**GIS**
Tax (TX)	Pearson Correlation	1	-.144(5)
	Sig. (2-tailed)		.273(5)
	N	240	240
Growth of Informal Sector (GIS)	Pearson Correlation	-.144(5)	1
	Sig. (2-tailed)	.273(5)	
	N	240	240

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(Field survey, 2024)

Table 8 shows a negative correlation, with a Pearson's correlation coefficient (r) of -0.144 or -14.40%, between taxes (TAX) and the growth of the informal sector. This indicates that as taxes increase, the growth of the informal sector decreases, and vice versa. However, the p-value of 0.273, which is higher than 0.05, indicates that there is no statistically significant correlation between taxes and the growth of the informal sector. Therefore, changes in tax rates are not likely to affect the growth of the informal sector.

4.3.6Family Background (FB) and Growth of Informal Sector (GIS)

Table 9: Correlation between Family Background (FB) and Growth of Informal Sector (GIS)

Correlations			
		FB	**GIS**
Family Background (FB)	Pearson Correlation	1	.358**(6)
	Sig. (2-tailed)		.005(6)
	N	240	240
Growth of Informal Sector (GIS)	Pearson Correlation	.358**(6)	1
	Sig. (2-tailed)	.005(6)	
	N	240	240

(Field survey, 2024)

Table 9 reveals a weak positive correlation, with a Pearson's correlation coefficient (r) of 0.358 or 35.8%, between family background and the growth of the informal sector. This suggests that as family background decreases, there is a tendency for the growth of the informal sector to increase. The p-value of 0.005, which is less than 0.05, indicates a statistically significant correlation between these variables. Therefore, variations in family background are likely to influence changes in the growth of the informal sector.

4.3.7Inadequate Funding (IF) and Growth of Informal Sector (GIS)

Table 10: Correlation between IF and Growth of Informal Sector (GIS)

Correlations			
		IF	**GIS**
Inadequate Funding (IF)	Pearson Correlation	1	.594**(7)
	Sig. (2-tailed)		.000(7)
	N	240	240
Growth of Informal Sector (GIS)	Pearson Correlation	.594**(7)	1
	Sig. (2-tailed)	.000(7)	

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N	240	240

(Field survey, 2024)

Based on Pearson's correlation coefficient (r) of 0.594, as shown in table 10, there is a moderate correlation of 59.4% between inadequate funding (IF) and the outcome variable (GIS) in this study. This suggests that changes in inadequate funding can moderately influence the growth of the informal sector. The positive r value indicates that as inadequate funding increases, so does the growth of the informal sector. The significance level of 0.000, which is less than 0.05, confirms that there is a statistically significant relationship between inadequate funding and the growth of the informal sector. Thus, variations in funding levels are likely to impact the overall expansion of the informal sector.Based on the data in the table 11,we will now decide whether to accept the alternative hypothesis, or reject the hypothesis.

Table 11: Hypothesis selection and rejection criteria

Linkage	Hypothesis	Output
Linkage (1)	$\mathbf{H_1}$	*Output (1):* Since the p-value is less than 0.05 (as shown in Table 4) and the beta coefficient is positive, we accept the alternative hypothesis and reject the null hypothesis.
Linkage (2)	$\mathbf{H_2}$	*Output (2):* With a p-value below 0.05 (from Table 5) and a positive beta coefficient, we accept the alternative hypothesis and reject the null hypothesis.
Linkage (3)	$\mathbf{H_3}$	*Output (3):* Since the p-value is less than 0.05 and the beta coefficient is positive (as shown in Table 6), we accept the alternative hypothesis and reject the null hypothesis.
Linkage (4)	$\mathbf{H_4}$	*Output (4):* The p-value is less than 0.05 (from Table 7) and the beta coefficient is negative, indicating acceptance of the alternative hypothesis and rejection of the null hypothesis.
Linkage (5)	$\mathbf{H_5}$	*Output (5):* With a p-value of 0.273, which is higher than 0.05 (from Table 8), we accept the null hypothesis and reject the alternative hypothesis.
Linkage (6)	$\mathbf{H_6}$	*Output (9):* The p-value is less than 0.05 (from Table 9) and the beta coefficient is negative, supporting acceptance of the alternative hypothesis and rejection of the null hypothesis.
Linkage (7)	$\mathbf{H_7}$	*Output (7):* In Table 10, the p-value is less than 0.05 and the beta coefficient is positive, leading to acceptance of the alternative hypothesis and rejection of the null hypothesis.

4.4 Challenges faced by informal workers in occupation

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In table 12, the primary challenge for informal laborers is finding aunsafe and unhealthy workplace, which affects 19.17% of them. Additionally, 16.67% of workers struggle with low productivity and skills. A further 8.33% face irregular or insufficient income. Long hours without proper breaks concern 10.42% of respondents. Occupational health risks remain a concern for 8.75% of those surveyed. Social security non-compliance is reported by 8.33% of respondents. Poverty affects 18.75%, while 9.58% express concerns about job security.

Table 12: Challenges faced by informal workers (Multiple Responses)

Threats faced by informal workers	N	Percentage
Unsafe and unhealthy working environment	46	19.17
Low levels of skills and productivity	40	16.67
Low or irregular income	20	8.33
Long working hours	25	10.42
Health and occupational risks	21	8.75
Failure to enforce social security measures	20	8.33
Poverty and Debt	45	18.75
Job insecurity	23	9.58
Total	**240**	**100**

(Field survey 2024)

5. Discussions

The growth of the informal sector in the slum areas of Barishal city, Bangladesh, is driven by several factors. These include high unemployment rates, widespread poverty, low levels of education and skills, heavy tax burdens, the prevalence of small enterprises, family background influences, and inadequate funding (Narula, 2019). Numerous studies have indicated that many individuals join the informal sector due to low educational qualifications and skills. This lack of qualifications and skills makes them vulnerable, ultimately pushing them towards informal employment. Additionally, with limited educational skills, they struggle to compete in the formal job market (Nguyen, 2015). Conversely, numerous studies have demonstrated that poverty can compel individuals to take on jobs that are considered disrespectful relative to their qualifications (Matsongoni&Mutambara, 2018). Despite this, they engage in multiple informal jobs to support their families. Informal employment serves as a crucial survival strategy in countries lacking social safety nets like unemployment insurance or where wages and pensions, particularly in the public sector, are insufficient.The tax-free nature of the informal sector leads to high sales, which boosts consumer spending and contributes to the development of Bangladesh's economy (NjodaMathurin, 2015). Additionally, unemployment has been a major factor in the expansion of informal settlements in Barishal city's slum areas.The cyclical nature of capitalism, which increases the demand for efficient over inefficient labor, along with the negative effects of urbanization and industrialization, particularly global economic growth that increases inequality, contributes significantly

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to the expansion of the informal sector. It is clear that industrialization and the growth of the informal sector are closely linked (Onwo&Ohazulike, 2021). While industrialization represents significant progress for any society, it also brings about negative consequences. Informal settlements often emerge to provide housing for workers in these industries (Ishtiaque&Ullah, 2013). The study revealed that increased industrial activity in a community leads many people to migrate from rural to urban areas in search of better opportunities.This was the primary reason for the growth of informal settlements in the slum areas of Barishal city. The study indicated that high poverty rates drive the expansion of the informal sector in this area. Many residents held temporary jobs and did not have a stable source of income.Additionally, they faced numerous work-related challenges that negatively impacted their physical and mental well-being. As a result, most community residents were affected by the area's high poverty levels (Mathias et al., 2015).Several studies argue that the increase in urban poverty, particularly in developing nations, is concentrated in specific social groups and areas, contributing to the growth of informal sectors as big cities expand (Ouédraogo, 2017).The expansion of informal settlements has been exacerbated by the lack of effective poverty alleviation programs in the neighborhood. This issue stems from the stagnation of production and economic output, as well as development initiatives and policies that primarily benefit the wealthy in rural areas, worsening community inequality(Rahman, 2019).

6. Conclusions, Limitations, and Future Research Directions

6.1 Conclusions

This study investigated how different factors affect the expansion of the informal sector in Barishal City, Bangladesh. Factors such as unemployment, poverty, education and skills, small enterprise size, taxes, family backgrounds, and inadequate funding were examined as independent variables, while the growth of the informal sector served as the dependent variable. The primary focus was to unravel the intricate relationship between these factors and the expansion of the informal sector. Through empirical analysis, it was revealed that unemployment significantly drives the growth of the informal sector in Barishal's slum areas. Additionally, poverty emerged as another crucial factor contributing to this growth. Furthermore, the study highlighted challenges such as unfavorable working conditions, irregular income, long working hours, and health and occupational risks, all of which pose significant obstacles to the informal sector's growth. These findings underscore the importance of addressing unemployment and poverty as key drivers of informal sector growth in Barishal City. Moreover, efforts should be directed towards improving working conditions and providing better support for informal sector workers. The implications of this study extend to future policymaking in urban planning, employment, and income distribution in Bangladesh. By understanding and addressing the factors influencing the informal sector's growth, policymakers can foster a more conducive environment for sustainable economic development and improve the livelihoods of those engaged in the informal economy.

6.2 Limitations and future research directions

Several limitations were encountered during the study. These issues encompassed constraints

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related to time availability, boundary determination in slum areas, data collection challenges due to respondent concerns, and the study's scope was limited to Barishal city's slum areas, limiting its generalizability to the broader context of Bangladesh. Future research could inquire deeper into understanding the specific mechanisms through which factors like unemployment and poverty influence the growth of informal sectors in Bangladesh's urban areas. Additionally, exploring the effectiveness of different policy interventions aimed at addressing challenges faced by informal sector workers could offer valuable insights for policymakers. Furthermore, investigating the impact of informal sector growth on broader economic development indicators, such as income inequality and poverty reduction, would contribute to a more comprehensive understanding of its role in Bangladesh's economy.

6.3 Recommendations

Although this study has limitations, it contributes substantially to our comprehension of the informal sector and offers recommendations for its improvement in Bangladesh and similar slum areas. Moreover, it is anticipated that this research will influence the nation's housing strategies and policies. Based on the factors examined in the study, several recommendations can be proposed to enhance the growth and sustainability of the informal sector in Barishal City, Bangladesh:

- *Implement targeted employment support programs to address unemployment (UEP) by providing vocational training and job placement services tailored to the needs of informal sector workers.*
- *Introduce poverty alleviation initiatives (PVT) such as microfinance schemes and financial literacy programs to empower individuals in the informal sector to improve their economic status.*
- *Enhance education and skills (LEAS) among informal sector workers through skill development training programs, workshops, and educational opportunities to enable them to access better job opportunities and increase productivity.*
- *Provide support for small enterprise size (SES) businesses by offering access to credit facilities, technical assistance, and market linkages to foster growth and sustainability within the informal sector.*
- *Review taxation policies (TX) to ensure they are conducive to informal sector businesses, considering their unique operating environment and limited resources.*
- *Implement family support programs (FB) to address socio-economic challenges faced by informal sector workers and their families, including access to healthcare, childcare and social welfare services.*
- *Increase access to funding (IF) for informal sector entrepreneurs through microfinance institutions, community-based lending programs, and government-sponsored initiatives to promote entrepreneurship and business development.*

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EXPLORING THE CURRENT CHALLENGES OF CROWD-FUNDING IN BANGLADESH: INSIGHTS FROM THE PERSPECTIVE OF THE ENTREPRENEURS

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ABSTRACT

Crowd-funding has emerged as a viable alternative financing option for entrepreneurs worldwide, representing an unconventional method of raising capital via the internet from diverse groups of people or investors. In recent years, the adoption of crowdfunding by entrepreneurs has surged significantly, not only in developed countries but also in developing regions. Despite this trend, the level of crowdfunding acceptance among Bangladeshi entrepreneurs' remains relatively low compared to other South Asian nations such as India and Pakistan. Therefore, this study seeks to investigate the contemporary challenges faced by entrepreneurs in Bangladesh regarding the adoption of crowdfunding. A qualitative exploratory approach was employed to meet the objective. Data was gathered through semi-structured interviews with 16 entrepreneurs, and then subsequently analyzed and presented thematically. The findings of the study identify five key challenges or barriers that hinder entrepreneurs from adopting crowdfunding including, deficient awareness and comprehension, regulatory and legal issue, risk of security, technological barriers, and functional barriers. Furthermore, this study offers a groundbreaking thematic investigation into these challenges, representing a significant new contribution to the field of crowdfunding. Policymakers can utilize the identified barriers to develop targeted policies that support the crowdfunding sector. Additionally, crowdfunding platforms can apply the study's findings to improve their services, thereby providing greater support to entrepreneurs.

Keywords: Bangladesh, Challenge, Crowd-funding, Entrepreneur.

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INTRODUCTION

In recent times, crowd-funding has flourished into a thriving alternative to non-traditional financing methods (Musila, 2022). It is usually an innovative way to raise funds from a large audience of financers through the internet (Hryhoruk & Prystupa, 2017). The recent global financial crisis 2008 created hurdles for businesses seeking bank loans, due to stringent requirements, reduced loan amounts, and elevated interest rates (Hendratmi et al., 2020). As a result of this, along with the swift growth and global spread of social media as well as technological advancements, crowdfunding has become a vibrant and effective financing option (Zhong, 2022). Nowadays, many countries have adopted this funding as a viable financing solution (Abdeldayem & Aldulaimi, 2023). North America leads the crowdfunding market, while significant growth is also seen in Asia and Europe (Andriushchenko et al., 2020).

Recently, there has been a notable increase in the adoption of this innovative funding source across various sectors, including the creative arts, community groups, and information technology (IT) (Islam & Khan, 2020). According to crowdfunding industry report, crowdfunding platform generates USD 34.4 billion across the globe in 2015 (Demiray et al., 2019). According to Mordo Intelligence's 2020 report, the crowdfunding industry is set to experience an annual growth rate of around 16% from 2020 to 2025, potentially elevating the market's value to over $30 billion.

The crowd-funding sector has primary evolved among developed nations including USA, UK, Australia and Canada. However, some growth in crowdfunding has been observed in Asian countries like India, Malaysia, Pakistan and Bangladesh. Crowdfunding has been identified as an emerging source of capital in Bangladesh. However, the economy has experienced a very steady growth in building crowdfunding platform since its beginning. The economy was documented just USD 10,272, whereas the figure of neighboring countries like India and Pakistan stands at USD 268,579,820 and USD 8,571,762 respectively (Ziegler et al., 2018). Undeniably, the size of market of Bangladesh is smaller than India, but Pakistan has a comparable market size when it comes to population. These figures suggest a significant unused potentiality of crowdfunding in Bangladesh. The country has over 180 million residents and deep-rooted tradition of cooperation. Moreover, the economy has recorded 7.10 percent GDP growth and USD 2,688 per capita income in 2022 (Bangladesh Bureau of Statistics, 2022). Furthermore, the number of internet subscriber was recorded 125.15 million in 2023, which is more than 69 percent of the total population (Bangladesh Telecommunication Regulatory Commission, 2023). Therefore, the opportunities for crowdfunding in Bangladesh remain highly untapped.

In Bangladesh, the source of crowdfunding is considered as an ideal option of financing for start-up entrepreneurs as compared to conventional counterparts (Adhikary & Kutsuna, 2016). However, the country has been able to establish two homegrown platforms for crowdfunding for the both entrepreneurs and investors known as Oporajoy.org and Projekt.co. In addition, there are very few social-media based crowdfunding groups including Crowdfunding Soft (CS) and crowdfunding Bangladesh (CB) (Tariqul, 2019). Due to that, investors and entrepreneurs hardly have many options of crowdfunding in Bangladesh. Moreover, there are some monetary and legal restrictions of raising fund by

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using global platforms such as Kickstartar, GoFundMe and Indiegogo (Islam & Khan, 2021). Besides, a study shows that just over 5 percent of entrepreneurs (sample size 270) are familiar with crowdfunding platforms and their financing process. Very few of the entrepreneurs have been observed to engage with crowdfunding platforms (Islam & Khan, 2021). Another study discloses that 88.6 (sample size 317) percent of the entrepreneurs in Bangladesh having no prior experience with crowdfunding (Adhikary et al., 2018). Although, many studies explore crowdfunding but only a handful studies address the country of Bangladesh. Apart from that, there is limited number of studies identifying the challenges or obstacles that prevent entrepreneurs in Bangladesh from embracing crowdfunding. Therefore, the study intends to investigate the current challenges faced by entrepreneurs of Bangladesh in adopting the crowdfunding.

REVIEW OF LITERATURE OF THE STUDY

Concept of Crowdfunding

The concept of crowd-funding comes from the word "crowdsourcing", which involves gathering ideas, resolutions and response from the general public (Belleflamme et al., 2014). It is an internet-based contemporary approach of financing by which individuals request support for their projects via specific crowdfunding platforms (Bottiglia & Pichler, 2016). It can also be recognized as a superior funding option for the start-up entrepreneurs aiming to establish them in the competitive marketplace (Stemler, 2013). Furthermore, it can be said a modern approach of financing, involves raising funds via online instead of existing way business financing like bond and share issuance. In this process, Crowdfunding platforms serve as intermediaries, linking start-up entrepreneurs with potential investors for their projects (Loher, 2019).

However, a campaign of crowdfunding is faster and quicker to initiate compared the existing sources of funds and faces fewer legal restrictions (Gerber & Hui, 2013). Crowdfunding is recommended for helping entrepreneurs validate product demand, increase awareness of their product and brand, and establish valuable interactions (Gerber & Hui, 2013). Mollick (2013) emphasizes the importance of using crowdfunding to shape a competitive edge and attract press attention. Brown et al. (2017) further elaborated that enhancing branding, building sales channels, and receiving market feedback through crowdfunding can be equally or more valuable than the funds raised themselves.

Current Scenario of Crowdfunding

The introduction of crowdfunding offers a valuable opportunity for entrepreneurs to secure initial funding for their startups (Bradley & Luong, 2014). It streamlines the process of securing capital for entrepreneurs and businesses by leveraging the internet to boost and support economic growth. However, numerous earlier studies explored the motivating and demotivating factors of adopting crowdfunding. For Instance, a study revealed that social information is crucial in determining success or failure of crowdfunding project. Belleflamme et al. (2013) pointed out that collection of capital, obtaining public focus, and getting feedback is responsible for the growth of crowdfunding. Similarly, Gerber et al. (2012)

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highlighted that the motivations for adopting crowdfunding include obtaining financial support, boosting product visibility, expanding professional networks, gaining personal validation, and emulating successful ventures. Furthermore, the use of crowdfunding has several benefits including flexible and rapid financing, the opportunity to test products with consumers, freedom from legal constraints, the benefits of a positive multiplier effect, and the collective insights of the crowd for various business activities (Macht & Weatherston, 2014). In contrast, Glesure (2015) exposed several demotivating factors from entrepreneurs' perspective including opportunity cost, variation in desired outcomes, and issues with information disclosure. Moreover, Lee & Yang (2019) discovered that obstacles to crowdfunding include the complexity of the process, operational expenses, and risks to reputation. Furthermore, limited knowledge is considered as leading barrier of crowdfunding (Bruton et al., 2015). Similarly, Soreh (2017) noted that awareness of crowdfunding is quite limited, and campaigns for entrepreneurial ventures are currently experiencing minimal engagement. Therefore, it is important for the entrepreneur to have adequate information and understanding about crowdfunding in order to grasp the potential benefits and outcomes (Bernardino & Santos, 2020).

The matter of crowdfunding has been highly studied in developed countries including Australia, China, Korea, and Germany (Paoloni et al., 2019). Some studies conducted also in developing countries such as Nigeria, India, and Malaysia (Rahman et al., 2016; Soreh, 2017; Baber, 2019; Aladejebi, 2020). However, most research has primarily concentrated on the factors that drive and facilitate crowdfunding. However, Aderemi et al. (2021) revealed that there are some challenges of crowdfunding in Nigeria including fraud and corruption, issues related to legal laws, and limited awareness campaign. Fraud remains a significant obstacle hindering the global expansion of crowdfunding platforms (Achsien & Purnamasari, 2016). Despite acknowledging that fraud pose considerable risks, but a study argued that such incidents are infrequent and do not substantially deter individuals from engaging in crowdfunding (Renwick & Mossialos, 2017). Ibrahim (2019) observed that the rapid growth of internet and technology has undoubtedly brought about unforeseen consequences, becoming a sanctuary for criminals. A study found that the issue of trust poses a considerable challenge for crowdfunding. According the authors, a significant number of Nigerian faces challenges in trusting one another, which restrict the growth of crowdfunding in the country (Okoyeuzu et al. 2019). Therefore, Alharbey & Van Hemmen (2021) mentioned that that both fundraiser and platform trust has a significant effect on the investor intention and growth of crowdfunding in Saudi Arabia.

The adoption of new technology on a large scale is propelled by government policies and regulations designed to promote it (Bessant, 1982). It is due to that fact the adoption of crowdfunding is slow in Brazil, primarily due to a lack of regulations and insufficient government support (Lima & Araújo, 2019). A similar study reported that a major challenge that restricts the growth of crowdfunding in Nigeria is the elevated tax rate (Okoyeuzu et al., 2019). Therefore, the tax polices of any government should be adaptable to accommodate new scheme (Abu Amuna, 2017).

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In the context of Bangladesh, few studies have been conducted earlier regarding crowdfunding. For instance, Hasan et al. (2017) investigated the behavioral and psychological aspects of crowdfunding participants to gauge their readiness for engaging in crowdfunding initiatives. Similarly, Adhikary et al. (2018) evaluated the preparedness for crowdfunding in Bangladesh by examining the citizens' willingness and the country's economic progress. In a similar vein, Islam & Khan (2021) identified key drivers of crowdfunding in Bangladesh, such as social influence, perceived trust, supportive conditions, effort expectancy, and performance expectancy. Nevertheless, the challenges faced by entrepreneurs in this context remain largely unexposed. Moreover, majority of the study was general study where no specific area has been covered rather than the entire area of Bangladesh. Thus, the aim of this study is to address the research gap by examining and analyzing the crowdfunding challenges in Bangladesh from the entrepreneurs' perspective.

METHODOLOGY OF THE STUDY

Research Design and Approach

The study planned to conduct a qualitative study as the crowdfunding is at its nascent stage in Bangladesh. Besides, conducting a quantitative study upon crowdfunding is quite challenging at this moment especially in Bangladesh. However, this study is exploratory in nature undertaken to tackle novel issues that have not been extensively studied before. It centers on gathering both primary and secondary data in unstructured or semi-structured forms, then interpreting the collected data through informal methods (Kakuru, 2019). This research, given their purpose and framework, employ the least scientific method and consistency (van Kerkhoff, 2003). Moreover, this type of research is useful to achieve a deeper understanding of the present issue (Nakash, 2022). However, the research approach of this study was inductive, concentrating on closely examining raw data to develop models, themes, or concepts (Thomas, 2006). This approach allows findings to emerge organically from the key themes within the collected data, unencumbered by methodological rigidity. Moreover, employing an inductive approach establishes a direct link between the research objectives and findings, thereby enhancing the study's validity (Thomas, 2006).

Sampling Technique and Data collection method

The target populations of this study are mainly the entrepreneurs of Bangladesh. The study adopted purposive sampling technique to select samples from the populations as the sources of primary data was limited. This is because this sampling technique is effective when the source of primary data is limited. Moreover, this approach ensures that the gathered data is comprehensive and directly relevant to objectives of the study (Tongco, 2007). The details of potential participants were compiled from several platforms, including startupbangladesh.gov.bd.

The study used semi-structured interview as tool of data collection. A semi-structured interview usually follows a guide and centers around key topics, offering a general framework for discussion

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(Ruslin et al., 2022). While a semi-structured interview is guided by predefined topics, it still allows researchers to delve deeply and uncover new insights (Megaldi & Berler, 2020). For interview, an official invitation was made via email to 25 entrepreneurs. Moreover, a reminder was sent to the entrepreneurs through email who had not responded within three weeks of the initial email. Fortunately, 16 entrepreneurs agreed to participate in interviews at their place of work. The interview sessions were conducted in person, and the interviewer was permitted to record the interviewees' responses in writing. Ultimately, the interviewees reviewed and verified the written transcripts to ensure they accurately reflected the information provided.

Data Analysis Technique

For this study, a thematic data analysis technique was followed to analyze the collected data from the interview. It is qualitative data analysis method, which entails identifying themes by meticulously reading and reviewing the write out data (Rice & Ezzy, 1999). The use of thematic analysis offers theoretical flexibility, allowing for a detailed identification, and interpretation of themes within a dataset (Braun & Clark, 2006). The thematic data analysis is done through following six phases mentioned by Braun & Clark, 2006. Therefore, the study has seriously followed the six phases while analyzing the collected data.

Phase 1, the researchers had become familiar with the data, which is the first phase of thematic data analysis (Braun & Clark, 2006). Since the researchers collected and transcribed the data on their own, they were already familiar with the raw data before analyzing it. In this phase, data was repeatedly read and reviewed to establish a solid foundation for the subsequent phase. Phase 2 begun with the generation of initial codes (Braun & Clark, 2006). Coding is an integral component as it categorizes data into coherent and significant groups (Tuckett, 2005). In this study, the data coding was done manually as it can be performed either by hand or with the help of software tools (Kelle, 2004). The authors annotated the text with written notes and utilized colored pens to highlight potential patterns during the coding process. Initially, the codes were identified, and these codes were then matched with the data extracts that illustrated each one. Phase 3 shifts the focus of the analysis from individual codes to a broader examination of themes (Braun & Clark, 2006). In this phase, codes were sorted into potential themes, and all the coded data extracts were compiled under the corresponding identified themes. During the analysis, some earlier codes developed into primary themes, while others transformed into sub-themes. This phase ended up with creating a range of main themes and sub-themes. The next phase (4) starts with reviewing the main and sub-themes developed in the previous phase (Braun & Clark, 2006). Under this phase, the current study conducted two level of reviewing: firstly it reviewed coded data under each theme to consider the validity of coded data in relation to the theme; secondly, it examines the legitimacy of individual themes in relation to the extracted data. During the reviewing, some coded data were used to develop a new theme. Phase 5 focuses on defining and further filtering the developed themes to show them for analysis. In this stage, the study further provided the name of the themes and made theme

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appropriate in relation to coded data under them. By doing so, the study came up with some meaningful themes. Finally, through writing up the overall analysis process, the study completed phase 6 of thematic analysis.

RESULTS AND DISCUSSIONS

Demographic Profile of the Participants

As previously mentioned, the study involved in-depth, face-to-face interviews with 16 participants. Each interview, conducted by the interviewer directly, lasted between 25 and 40 minutes, reflecting the semi-structured nature of the discussions. The interviewer took notes during these sessions to capture the responses accurately. All participants were relatively young, aged between 30 and 50. A significant majority held master's degrees (9 participants) from various universities, while the rest had bachelor's degrees, with none possessing doctoral degrees. Most participants had substantial business experience, with 7 having between 6 to 10 years, 5 with 1 to 5 years, and 4 with more than 10 years. The participants were predominantly engaged in service-oriented businesses, with 8 involved in this sector. Additionally, 5 participants were in merchandising, and 3 were in manufacturing.Interestingly, a significant portion of the participants (14) had no prior experience or knowledge of crowdfunding, having scarcely heard about it. In contrast, only very few (2) participants had considerable experience with crowdfunding and its financing mechanisms.

Table 1: Demogrpahic Profile

Particulaurs	**Findings**
Total Number of Paricipants	16 entreprenuers
Tool of Data Collection	Semi-structured interview
Nature of Interview	In-person
Length of the interview	25-40 Minits
Transcribing process	Paper-based handwriting
Age span	30-50
Education Qulification	PHD Holders (0)
	Master's Degree (9)
	Bachelor Degree (7)
Experince of business (years)	1 to 5 (5)
	6 to 10 (7)
	Above 10 (4)
Types of business	Manufacuring (3)
	Service (8)
	Merchandising (5)
Crowdfunding Experience	Yes (2)
	No (14)

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Developed Themes of Challenges of Crowdfundings

After thematic analysis, the study has come up with five major challenges (themes) of crowdfuning in Bangladesh. These newly emerged themes include deficient awareness and comprehension, risk of security, technological barriers, functional barriers, and regulatory and legal issue.

Table 2: Shaping of the Themes

Shaping Themes from Coding		
Initial Coding	**Sub-themes**	**Main Themes**
Crowdfunding? That is news to me.	Insufficient knowledge	Deficient awareness and comprehension
Don't know what crowdfunding is.		
No idea about crowdfunding.		
Never takes any funding from crowdfunding.	Limited Experience	
Never deal with crowdfunding.		
Have raised funds only once.		
Don't know how to get funding from it.	Absence of Training and campaign	
Don't have expertise of using it.		
Unable to use it.		
Chance of losing business ideas.	Loss of Business Details	Risk of Security
Require disclosing financial information.		
Fear of losing business information.		
Feel fear to trust crowdfunding platforms.	Fraud and Cyber Attack	
Security system is not reliable.		
Possibility of hacking is very high.		
Don't always get funding.	Reputational Risk	
May lose other sources of funding.		
No supportive legal policy for crowdfunding.	Lack of Legal Policies	Regulatory and Legal Issues
Vague monetary regulations.		
No appropriate financial policies and regulations.		
Need many documents for auditing.	Auditing Complexity	
Ask for several papers for auditing.		
Do not have proper internet connection	Poor Internet Connectivity	Technological Barriers
Unsmooth internet connectivity.		
Very few platforms for crowdfunding.	Limited Crowdfunding Platform	
Not so many online platforms of crowdfunding.		
Takes time to get fund.	Slow Processing	Functional Barriers
So many formalities need to be followed.		
Provided information can be misrepresented to	Asymmetry in Information	

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the investors.		
Possibility of information misinterpretation by the investors.		

Deficient Awareness and Comprehension

The most frequently mentioned barriers of crowdfunding adoption in Bangladesh, was insufficient awareness and comprehension. This issue arises from several factors, primarily that many entrepreneurs in Bangladesh have minimal knowledge about crowdfunding. In fact, some have only a vague or nonexistent familiarity with the concept. As one of the entrepreneurs replied that : "*I have never heard of crowdfunding before; it's entirely new to me, and I do not understand how it works" (2).*

Besides, a minority of entrepreneurs have mentioned being aware of crowdfunding but lack the experience and understanding of the fundraising process, which has deterred them from pursuing it. One entrepreneur expressed: "*I have heard about crowdfunding, but I lack the experience to engage with it because I am concerned about potential risks* (7)." Additionally, some entrepreneurs have highlighted the absence of training and promotional campaigns for crowdfunding. They believe that increasing the availability of such training and campaigns could significantly enhance entrepreneurs' understanding and confidence in crowdfunding. As one entrepreneur noted*, "I am only familiar with donation-based crowdfunding and lack knowledge about other types. There is a clear need for training programs and awareness campaigns to foster its growth (12)".*

Thus, the theme deficient awareness and comprehension aligns with the findings of other similar research conducted in various countries. For example, Soreh (2017) identified that in Nigeria, the main barriers to crowdfunding adoption are a lack of awareness, a limited number of crowdfunding platforms, and minimal entrepreneurial campaign activity. In a similar vein, Okoyeuzu et al. (2019) revealed that many individuals still perceive crowdfunding as merely a new method of government funding for SMEs. Their study also found that gender does not significantly influence one's understanding of crowdfunding. Furthermore, another study highlights that 88.6% of entrepreneurs in Bangladesh, based on a sample size of 317, have no previous experience with crowdfunding (Adhikary et al., 2018).

Risk of Security

A substantial number of entrepreneurs are apprehensive about the issue of security in crowdfuning. Firstly, this unease arises from worries about privacy breaches, as crowdfunding platforms always carry the risk of losing ideas related to intellectual property or copyright. This is due to the fact that imitation can occur at any moment on open crowdfunding platforms. As one entrepreneur stated: "*Engaging with crowdfunding is merely a matter of time since it represents a new opportunity for us. However, we feel insecure due to the potential risk of losing our business ideas." (4).*

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Additionally, there is the possibility of cyber attacks while conducting crowdfunding transactions online. The crowdfunding system has yet to earn the trust of entrepreneurs. According to one entrepreneur: *"I feel insecure engaging with crowdfunding due to the potential for fraud and cyber attacks. I am hesitant to carry out financial transactions through these platforms." (14)*

Furthermore, crowdfunding carries the potential for reputational risk. This arises because fundraising through this method necessitates specifying the investment timeline. If entrepreneurs fail to launch the new investment with the investors' money within the targeted deadline, it can lead to reputational damage. Such a scenario may diminish their credibility and ultimately reduce their chances of securing funds from other available sources in the future. One entrepreneur expressed their concern, stating: *"We always feel apprehensive about crowdfunding because it imposes a strict investment timeframe. If we fail to utilize the funds within the allotted period, we risk damaging our reputation, and that's a risk we cannot afford to take." (8)*

The theme named risk of security aligns with findings from earlier crowdfunding research. For example, Yang & Niu (2016) highlighted that concerns about secuirty significantly impede the growth of crowdfunding in China. In response, Gleasure (2015) recommended enhancing security systems and boosting computer literacy to address and reduce security-related challenges.

Regulatory and Legal Issues

Another significant challenge to crowdfunding is regulopry and legal issue, which includes gaps in financial backing, regulatory frameworks, and auditing regulations. This situation arises because Bangladesh lacks the necessary legal as well as financial policies to support crowdfunding. Additionally, restrictions on inbound and outbound money transfers further impede entrepreneurs from fully engaging in crowdfunding ventures. As one of the particpants mentioned that *" the country lacks supportive legal policies in favor of corwdfunding yet. Besides, dealing with international crowdfunding platforms is difficult due to stringent money transfer conventions" (11).*

Additionally, the absence of supportive financial documentation for auditing further deters entrepreneurs from pursuing crowdfunding opportunities. Furthermore, entrepreneurs face difficulties in maintaining audit compliance due to the absence of clear accounting and auditing guidelines. Consequently, they find managing funds collected through crowdfunding to be problematic. This is because the auditing process for crowdfunding in Bangladesh is complex, requiring a substantial amount of documentation for proper review. Therefore one entrepreneur observed, *"The auditing team in Bangladesh requires a multitude of documents for the process, which makes raising funds through crowdfunding quite challenging in our country." (9).*

This finding is supported by some earlier studies, which conducted in other countries. For instance,

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Lima & Araujo (2019) investigated and found that the development of crowdfunding in Brazil is notably limited owing to the lack of government support and regulations specific to crowdfunding. Similarly, another study identified high taxation on crowdfunding as a significant challenge in Nigeria (Okoyeuzu et al., 2019). Consequently, it has been suggested that developing countries should implement relaxed tax policies and other government regulations to foster the growth of crowdfunding (Abu, Amuna 2017).

Tecnological Barriers

Some entrepreneurs highlighted that technological barriers, such as access to internet and the availability of platforms, pose significant challenges to crowdfunding in Bangladesh. They noted that limited internet access hinder crowdfunding efforts, as these transactions rely heavily on internet. As One participant remarked, "*Crowdfunding transactions are highly dependent on a reliable internet connection. Therefore, robust internet connectivity is essential for seamless crowdfunding operations. Given that my business is located in a remote area of Bangladesh, I have encountered significant difficulties when conducting crowdfunding transactions due to poor internet connection." (7)*

Furthermore, Bangladesh currently hosts a very limited number of crowdfunding platforms. This scarcity leaves entrepreneurs with few options for conducting crowdfunding transactions. As one participant noted, "*Currently, there are not many crowdfunding platforms available. I am personally aware of only two platforms in our country, both of which require numerous formalities that are quite inconvenient." (6)*

This finding is corroborated by earlier studies, such as Wolf (2017), which revealed that internet diffusion in various areas of Africa is relatively low. This limited connectivity restricts African fundraisers to get the benefits of network avilabilities in crowdfunding.Chao et al. (2020) emphasized that internet availability is essential for the broad adoption of crowdfunding. This importance stems from the fact that online crowdfunding significantly relies on various social interacting sites and online platforms.

Funtional Barriers

The study identified another significant obstacle in crowdfunding: entrepreneurs often express concerns about the slow funding processes and the lack of transparency in how crowdfunding functions. Securing funds through crowdfunding platforms tends to be more time-consuming compared to traditional financing methods, as entrepreneurs need to engage and persuade investors, a process that typically demands more time and effort. One entrepreneur noted: "*We need funds quickly to commercialize our ideas and plans, but raising money through crowdfunding, especially for start-ups, takes considerable time. Therefore, it seems convenient for us." (10).*

A significant challenge in the crowdfunding process is the necessity for entrepreneurs to disclose comprehensive business information to attract potential investors. This requirement poses a risk, as sharing detailed information can jeopardize their competitive edge and market positioning. Entrepreneurs

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must balance transparency with protecting their business interests, making the process both delicate and critical for securing investment without compromising their strategic advantages. As one entreprenuer mentioned that *"I find it challenging to convey comprehensive details about our projects to investors via crowdfunding platforms. This difficulty can sometimes lead to misunderstandings or misaligned expectations between us and potential investors. As a result, there are instances where investors may choose not to proceed with their investment." (5)*

This observation aligns with Damus (2014), who revealed that the financing process of crowdfunding platforms is comparatively slower than other funding methods. Consequently, entrepreneurs often experience dissatisfaction when navigating the complexities of crowdfunding. Thus, there is a critical need to bolster entrepreneurs' trust by refining the operational functions and procedures of crowdfunding (Adhikary & Kutsuna, 2016).

CONCLUSIONS

In Bangladesh, crowdfunding holds significant promise as a transformative and alternative funding source for entrepreneurs. Despite nearly a decade since its introduction in the country, its progress has been underwhelming, largely due to its reliance on user acceptance and sustained engagement. Earlier research indicates that the adoption of crowdfunding in Bangladesh lags behind that of other South Asian nations such as India and Pakistan. Consequently, this study aims to investigate the obstacles that hinder entrepreneurs in Bangladesh, from embracing crowdfunding as a viable financing option.

At the conclusion of the study, several barriers were identified that impede entrepreneurs from engaging with crowdfunding. The most prominent challenge is deficient awareness and comprehension. Many entrepreneurs in Bangladesh possess only limited knowledge about how crowdfunding operates, and a significant number lack prior experience with such platforms. Another important challenge is the absence of clear regulatory and legal policies specifically governing crowdfunding. Additionally, the auditing process proves cumbersome due to extensive documentation requirements. Dealing with international crowdfunding platforms presents its own difficulties, given the stringent policies surrounding fund-raising. These factors collectively contribute to the reluctance and challenges faced by entrepreneurs in adopting crowdfunding financing.

Security concerns represent another significant challenge for crowdfunding in Bangladesh. The risk of losing sensitive business information, encountering cyberattacks, and facing reputational damage is heightened. Furthermore, inadequate internet connectivity and poor technological infrastructure present significant obstacles, as many crowdfunding platforms in Bangladesh are still in the nascent stages of development and lack sufficient security measures. This deficiency amplifies the vulnerabilities that entrepreneurs encounter when using crowdfunding. Additionally, the relatively slow process and

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functionality of crowdfunding in Bangladesh contribute to discomfort among entrepreneurs engaging with this funding method. Nevertheless, these challenges can be significantly alleviated through collaborative efforts from all sectors. This includes proactive engagement from government bodies, crowdfunding platforms, entrepreneurs, investors, and various supporting institutions. By working together, we can address these issues more effectively.

IMPLICATIONS

The study unveils the current obstacles to crowdfunding adoption in Bangladesh, offering insights that can be applicable across different countries, cultures, and regions globally. This research represents a pioneering thematic exploration of these challenges, marking a novel contribution to the field of crowdfunding. Additionally, the study's findings have the potential to enhance existing literature by introducing a fresh perspective and adding valuable new dimensions to the understanding of crowdfunding dynamics. This study offers practical implications for a range of stakeholders. Policymakers can use the identified barriers as a basis for crafting supportive new policies tailored to the crowdfunding sector. Crowdfunding platforms can leverage the study's findings to enhance their services, particularly to benefit entrepreneurs. Additionally, universities and training centers can utilize these insights to design or refine their entrepreneurial training programs.

LIMITATIONS AND RECOMMENDATIONS

Like many other studies, this one has certain limitations. At first, the study was exploratory in nature often yields preliminary findings that are tentative and, therefore, not conclusive. Secondly, the sample size of the study is small, which may contribute to higher variability and potential bias in its findings. Thirdly, the manual coding of the collected data could be subject to personal biases and judgments. Fourthly, the data in this study were analyzed thematically, which provides significant flexibility in interpretation. As a result, this approach complicates the ability to make direct comparisons between findings of various studies. Fifthly, many participants had limited or no experience with crowdfunding, which may lead to less informed responses. Consequently, the study's results should not be generalized universally but rather understood as reflective of the specific context examined.

Nevertheless, the current study has the potential to serve as a foundational resource for future researchers exploring the field of crowdfunding. Undertaking further research with extended longitudinal data would provide a deeper understanding of how the identified challenges in crowdfunding interact and evolve over time. In addition, since the study is qualitative, conducting a quantitative investigation could yield more definitive findings. Additionally, expanding the study's area and scope with more samples could enhance the reliability of the outcomes. Lastly, it would be valuable to conduct comparative studies across different countries to investigate the variations in challenges faced by each and to understand how these differences influence crowdfunding dynamics globally.

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PROMOTION OF TEAM BUILDING ACTIVITIES IS A HEALTHY APPROACH TO PROMOTE WELL-BEING OF THE ORGANIZATIONAL STRUCTURE

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Abstract

Within all types of organizations, the individuals in leadership positions put emphasis on promotion of team building activities. The employees may be judicious, prudent and well-versed in terms of methods and strategies. But in order to do well in their jobs, enhance their career prospects, incur the feeling of job satisfaction and retain their jobs, they need to recognize the meaning and significance of teamwork. As a consequence of promoting team building activities, the individuals are able to generate information in terms of various aspects, provide solutions to various types of problems, alleviate work pressure and develop motivation towards the implementation of job duties. Hence, it can be stated, team building activities have proven to be favourable to the employees and the overall structure of the organizations. In some cases, when the individuals are working on assignments on an individual basis, they are overwhelmed by the feelings of vulnerability and apprehensiveness. But when team building activities are promoted, the individuals have support available from others. As a consequence, they will augment their confidence levels and overcome the feelings of vulnerability and apprehensiveness. Therefore, in all types of organizations, promotion of team building activities is a healthy approach to promote well-being of the organizational structure. The main concepts that are taken into account in this research paper are, understanding the meaning and significance of team building activities, factors to be implemented in the promotion of team building activities and types of team building activities.

Keywords: Effectiveness, Employees, Methods, Organizations, Strategies, Team Building Activities, Reinforcement, Well-being

In all types of organizations, team building activities need to be promoted. These activities are considered meaningful in promoting well-being of the employees as well as the overall structure of the organizations. The individuals in leadership positions encourage the employees to participate in tasks and activities, where team building can be reinforced (Heathfield, 2021). In order to encourage these activities, the employees need to communicate with each other in an effective manner. The communication processes takes place in a verbal and in a written form. Within the course of putting into operation effective communication processes, the individuals need to make use of polite language and decent words. Furthermore, the individuals need to form positive viewpoints in terms of other individuals. The

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individuals are different from each other in terms of various factors, i.e. caste, creed, race, ethnicity, religion, age, gender, cultures and socio-economic backgrounds. Hence, the individuals need to ensure, they do not possess any negative viewpoints regarding other individuals on the basis of any of these factors. Therefore, implementation of effective communication processes and formation of positive viewpoints regarding others are indispensable factors in the promotion of team building activities.

In the promotion of team building activities, decisions need to be made in an appropriate manner. The decision making processes need to take place in an effective manner. The individuals are required to make wise and productive decisions. In the implementation of the decision making processes, the individuals are required to conduct the analysis of the alternatives. After the analysis is conducted, one is required to make use of the alternative, which is regarded as most efficacious and worthwhile (Prachi, 2018). The individuals need to be informative in terms of various methods and strategies that are needed to put into operation job duties in a well-organized and satisfactory manner. When individuals are participating in any team building activity, they need to ensure, they are well-equipped in terms of methods and strategies. As within the organizations, the main purpose of team building activities is to do well in one's jobs and to generate the desired outcomes. Therefore, implementation of decision making processes and generation of information in terms of methods and strategies are vital factors in the promotion of team building activities.

The members of the organization need to make use of modern, scientific and innovative methods within the course of implementation of job duties. In the training and development programs, they are imparted information in terms of these methods. In some cases, they are manageable to put into operation, whereas, in other cases, it is necessary to obtain help and assistance from others. The individuals need to be informative in terms of these methods to do well in their job duties and achieve organizational goals. The individuals need to put emphasis on reinforcement of the traits of helpfulness and co-operation. All the members of the team and the team leader need to recognise the importance of these traits. They need to be supportive towards each other in the generation of the desired outcomes. When an individual is helpful and co-operative, he or she will be appreciated and revered. Therefore, it is well-understood, making use of modern, scientific and innovative methods and reinforcement of the traits of helpfulness and co-operation are regarded as crucial factors in the promotion of team building activities.

Understanding the Meaning and Significance of Team Building Activities

The team is formed of two or more individuals. When the individuals are required to work on projects and assignments, they work on them on an individual basis as well as in teams. The tasks are divided among team members in accordance to their educational qualifications, competencies and abilities. In this manner, they are able to alleviate work pressure. In some cases, the job duties are lengthy and the time is less, in such cases, all the members of the team are required to work in co-ordination with each other. They exchange ideas and viewpoints, which would prove to be beneficial to them and the organization as a whole. The members of the team are required to conduct research on regular basis. In this manner, they are able to generate information in terms of the areas, which need to be improved.

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Limitations need to be identified in a timely manner and measures need to be implemented to bring about improvements. Therefore, the individuals are able to understand the meaning and significance of team building activities, when they contribute in alleviating work pressure.

It is apparently understood that within the course of implementation of various job duties, there are occurrence of different types of problems. The problems may be experienced in a major or in a minor form. These are related to job duties, procedures, techniques, strategies, resources, and so forth. When the members are working in a team, they are able to obtain help from each other. The members exchange ideas and viewpoints, which enable them to provide solutions to various problems. Furthermore, these need to be prevented from assuming a major form. All the members of the team and the team leaders are required to hone problem-solving, analytical and critical thinking skills. They need to be supportive towards each other in the generation of the desired outcomes. When the individuals are co-operative and accommodating, other individuals will feel pleasurable in working with them. Hence, in order to carry out team building activities in an adequate manner, the individuals are required to augment their knowledge and understanding in terms of various factors. Therefore, the individuals are able to understand the meaning and significance of team building activities, when they contribute in honing of skills and abilities.

In order to do well in one's job duties, achieve desired goals and promote enhancement of the organizational structure, there are various factors in terms of which the individuals need to be aware of. These are, being well-equipped in terms of job duties and responsibilities; generating information in terms of methods and approaches; possessing an approachable nature and an amiable attitude; creating an amiable environment within the workplace; forming cordial and sociable terms and relationships with others; making wise and productive decisions; augmenting knowledge, skills and abilities; implementing time management skills; honing analytical and critical thinking skills; providing solutions to problems in an effective manner; making use of modern, scientific and innovative methods; possessing the abilities to work under stress and inculcating the traits of morality, ethics, diligence and conscientiousness. All the team members and team leaders need to reinforce these aspects. Hence, the team members and team leaders form the viewpoint that all these aspects have proven to be favourable to a major extent. Therefore, meaning and significance of team building activities is understood.

Factors to be implemented in the Promotion of Team Building Activities

The team building activities have proven to be beneficial and meaningful to the members as well as the overall structure of the organizations (Team Building Exercises and Activities, 2021). The various benefits are, members are able to obtain support and assistance from each other in the implementation of tasks; provide solutions to various problems in an effective manner; acquire help in overcoming impediments; alleviate work pressure; develop motivation towards the implementation of job duties; form cordial and amiable terms and relationships with each other; develop mutual understanding; make wise and productive decisions; implement time management skills; augment knowledge, competencies and abilities and hone leadership skills. The team leaders are usually provided with the opportunities of

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honing leadership skills, as they are required to guide and lead others in the right direction. When the individuals acknowledge the meaning and significance of these benefits, they will encourage team building activities. Within the course of putting into operation these activities, positivity needs to be reinforced. In the promotion of team building activities, there are various factors that need to be taken into account. These are stated as follows:

Implementation of Effective Communication Processes

In order to encourage team building activities, all the members of the team need to communicate with each other in an effective manner. The communication processes takes place in a verbal and in a written form. Verbal communication takes place face to face or through technologies. Whereas, written communication takes place through exchanging messages and emails, letters, notices and so forth. Within the course of putting into operation effective communication processes, the individuals need to make use of polite language and decent words. Furthermore, they need to treat each other with respect and courtesy. They need to make provision of factual information. It is apparently understood that in the promotion of team building activities, the individuals need to communicate with each other in a verbal and in a written form. They need to ensure that communication processes takes place in an appropriate manner. Therefore, implementation of effective communication processes is regarded as one of the indispensable factors to be implemented in the promotion of team building activities.

Formation of Positive Viewpoints regarding Others

When individuals are working in a team, they need to ensure, they form positive viewpoints in terms of other individuals. This is a factor, which is not only regarded as vital in the promotion of team building activities, but also in achieving organizational goals and in leading to up-gradation of the overall structure of the organizations. Hence, throughout their jobs, all members need to acknowledge this factor. The individuals are different from each other in terms of various factors. But when they are working in a team, they are aware that other members will be different in terms of number of aspects. All the members of the team are required to work in co-ordination and integration with each other to do well in their job duties and to generate the desired outcomes. Hence, they need to ensure, they do not possess any negative viewpoints among individuals on the basis of any of these factors. Furthermore, due to formation of positive viewpoints, the members are able to develop mutual understanding with each other. They obtain support and assistance within the course of putting into operation various tasks and activities. Therefore, formation of positive viewpoints regarding others is one of the important factors to be implemented in the promotion of team building activities.

Implementation of Decision Making Processes

In the promotion of team building activities, decisions need to be made in an appropriate manner. Hence, it is of utmost significance for the individuals to hone decision making skills. The decision making processes are to be put into operation throughout the job duties of the individuals. When the

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decision making processes take place, it needs to be ensured, they are beneficial to the members as well as the overall structure of the organizations. Normally, the team leaders are vested with the authority of making decisions, but they provide opportunities to other team members to express their ideas and viewpoints. The individuals are required to make wise and productive decisions. When the decisions are made, it needs to be ensured, they prove to be favourable to the members, tasks and the organizations as a whole. In the implementation of the decision making processes, the individuals are required to conduct the analysis of the alternatives that are available. After the analysis is conducted, one is required to make use of the alternative, which is regarded as most efficacious and worthwhile. Therefore, implementation of decision making processes is a significant factor to be implemented in the promotion of team building activities.

Generation of Information in terms of Methods and Strategies

Within the workplace, when team building activities are encouraged, they have the primary objective of doing well in job duties and generating the desired outcomes. Hence, it is essential for all the members to be informative in terms of methods and strategies. The awareness in terms of these would enable the individuals to put into operation the job duties in a well-organized and satisfactory manner. The individuals need to be informative in terms of various methods and strategies that are needed to put into operation job duties in a well-ordered and suitable manner. When individuals are participating in any team building activity, they need to ensure, they are well-equipped in terms of various methods and strategies. As within the organizations, the main purpose of team building activities is to do well in one's jobs and to generate the desired outcomes. Furthermore, when there are any problems, these can be solved by obtaining help from team members or team leaders. Therefore, generation of information in terms of methods and strategies is a vital factor to be implemented in the promotion of team building activities.

Making use of Modern, Scientific and Innovative Methods

The members of the organization need to make use of modern, scientific and innovative methods within the course of implementation of job duties. The various types of these methods are utilization of graphs, charts, maps, pictures, images, designs, structures, models, shapes and so forth. In the training and development programs, they are imparted information in terms of these methods. In some cases, they are manageable to put into operation, whereas, in other cases, it is necessary to obtain help and assistance from others. The individuals need to be informative in terms of these methods to do well in their job duties and achieve organizational goals. In the promotion of team building activities, the members need to make use of these methods to carry out the job duties in an efficient manner. When the utilization of these methods is time consuming and cumbersome, the tasks are divided among the team members in accordance to their knowledge, competencies and abilities. Therefore, making use of modern, scientific and innovative methods is a crucial factor to be implemented in the promotion of team building activities.

Reinforcement of the Traits of Helpfulness and Co-operation

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The individuals need to put emphasis on reinforcement of the traits of helpfulness and co-operation. It is apparently understood that within the course of implementation of tasks and activities, there are occurrence of problems and difficulties. These are related to job duties, methods, procedures, resources, and so forth. When the members are working in a team, they are able to obtain help from each other. All the members of the team and the team leaders need to recognise the importance of these traits. They need to be supportive towards each other in the generation of the desired outcomes. When an individual is helpful and co-operative, he or she will be appreciated and revered. Furthermore, the other individuals will feel pleasurable in working with him or her. Hence, in order to reinforce these traits, the individuals are required to augment their knowledge and understanding in terms of various factors. When the individuals are well-aware, in such cases, they normally are able to help others. Therefore, reinforcement of the traits of helpfulness and co-operation is an eminent factor to be implemented in the promotion of team building activities.

Inculcating the Traits of Morality and Ethics

All the members of the team and the team leaders are required to inculcate the traits of morality and ethics. Apart from being informative in terms of methods and approaches, the members need to acknowledge the meaning and significance of the traits of morality and ethics. These traits will enable the individuals to differentiate between appropriate and inappropriate. Furthermore, they will be able to put in efforts to their best abilities to make wise and productive decisions, do well in their job duties and generate the desired outcomes. The individuals are required to put into operation various tasks and activities to generate the desired outcomes, achieve organizational goals and carry out the functioning of the overall structure of the organizations in an appropriate manner. The inculcation of the traits of morality and ethics will enable the individuals to do well in their job duties, form cordial and sociable terms and relationships with each other, and incur the feeling of job satisfaction. These traits need to be reinforced within the course of putting into operation various tasks and activities. Therefore, inculcating the traits of morality and ethics is a meaningful factor to be implemented in the promotion of team building activities.

Implementing the Traits of Diligence, Resourcefulness and Conscientiousness

Within employment settings, the traits of diligence, resourcefulness and conscientiousness are fundamental to carry out all types of tasks and activities. All the members of the team and the team leaders are required to implement the traits of diligence, resourcefulness and conscientiousness (127+ Team Activities, n.d.). The major benefits of these traits are, individuals will augment their knowledge and understanding in terms of various aspects, overcome barriers, possess the abilities to work under stress, develop motivation towards the implementation of job duties and contribute significantly in leading to up-gradation of the overall structure of the organizations. When individuals are wholeheartedly determined towards doing well in their job duties and achieving organizational goals, they need to put emphasis on reinforcement of these traits. When the job duties are complicated, these traits would enable

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the individuals overcome difficulties in an effectual manner. In the promotion of team building activities as well, these traits need to be strengthened. Therefore, implementing the traits of diligence, resourcefulness and conscientiousness is considered as a noteworthy factor to be implemented in the promotion of team building activities.

Depicting the Traits of Honesty and Truthfulness

In the promotion of team building activities, the individuals need to put emphasis on depiction of the traits of honesty and truthfulness. These traits have proven to be favourable in doing well in one's job duties and in achieving the desired goals and objectives. It is apparently understood that within the course of implementation of tasks and activities, the members need to be informative in terms of methods and approaches. When the members are working in a team, they need to ensure, they depict these traits within the course of implementation of job duties. Furthermore, in making use of methods and approaches as well, these traits are necessary. All the members of the team and the team leaders need to recognise the importance of these traits. When tasks are carried out in an honest and truthful manner, the individuals will do well in their job duties, meet the expectations of the supervisors and incur the feeling of job satisfaction. Therefore, depicting the traits of honesty and truthfulness is a factor to be implemented in the promotion of team building activities, which has proven to be beneficial to the individuals and organization as a whole.

Honing Leadership Skills

In the teams, there is a team leader. The team leader is vested with the authority and responsibility of guiding the members of the team in the right direction. The team leaders are required to hone leadership skills. The various aspects in terms of which leadership skills need to be honed are, imparting information in terms of job duties and responsibilities; providing information in terms of methods and approaches; possessing an approachable nature and an amiable attitude; creating an amiable environment within the workplace; forming cordial and sociable terms and relationships with others; making wise and productive decisions; augmenting knowledge, skills and abilities; implementing time management skills; honing analytical and critical thinking skills; providing solutions to problems in an effective manner and making use of modern, scientific and innovative methods. All the members of the team and the team leaders need to recognise the importance of these aspects. Therefore, honing leadership skills is a factor to be implemented in the promotion of team building activities, which has facilitated in doing well in one's job duties and in generating the desired outcomes.

Types of Team Building Activities

In all types of organizations, production, manufacturing, services, financial institutions, educational institutions and so forth, all the members, irrespective of their job positions in the hierarchy need to recognize the meaning and significance of team building activities. These activities are of different types (Corporate Training and Team Building Activities, 2019). The utilization of these activities need to be in

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accordance to various factors, i.e. goals, objectives, job duties, responsibilities, methods, approaches, strategies, infrastructure, amenities, facilities, resources, technologies, materials and the overall working environmental conditions. Within the course of implementation of these activities, one of the important aspects that need to be taken into account is positivity needs to be reinforced. Furthermore, the members need to reinforce the traits of morality, ethics, diligence and conscientiousness. Types of team building activities are, working on assignments and projects; organizing seminars and workshops; carrying out fieldwork; getting engaged in group discussions; participating in debates and giving presentations and bringing about improvements in various aspects of the organizations. These are stated as follows:

Working on Assignments and Projects

When the individuals are required to work on assignments and projects, they do work on them in teams. The assignments can be articles, reports, and other written materials. On the other hand, there are various types of projects as well, which are worked on. In the case of teamwork, the tasks are divided among team members in accordance to their knowledge, competencies and abilities. In this manner, they are able to develop motivation towards the implementation of job duties. Furthermore, they are able to alleviate work pressure and incur the feelings of pleasure and contentment. In some cases, the job duties are lengthy and need to be carried out in less amount of time, in such cases, all the members of the team are required to work in co-ordination with each other. They exchange ideas and viewpoints, which would prove to be beneficial in the implementation of job duties. Therefore, working on assignments and projects is a type of team building activity, which is acknowledged in all types of organizations.

Organizing Seminars and Workshops

The seminars and workshops are organized with the main objective of imparting information among individuals in terms of various concepts, methods and approaches. The participation of the individuals in them contribute in honing of the skills and abilities. The other individuals are also invited from other organizations with the main objective of imparting information in terms of various aspects among the members. Furthermore, the improvements are brought about in various aspects of the organizations. When seminars and workshops are organized, the members are to work in a team. There are number of activities, which need to be planned, i.e. venue, schedule, timings, tasks, activities, programs, refreshments and so forth. Therefore, organizing seminars and workshops is a type of team building activity, which have rendered an important contribution in honing interactive abilities and presentation skills among individuals.

Carrying out Fieldwork

Within the course of putting into operation various job duties and particularly when one is to work on research projects, the individuals need to carry out fieldwork. The fieldwork is normally carried out in a well-organized and satisfactory manner, when a team is formed of two individuals. The implementation of fieldwork facilitates in the collection of information from the respondents. The fieldwork can be

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carried out on an individual basis as well as in teams. When the individuals are carrying out fieldwork in a team, they are able to exchange ideas and seek support from others. When there are two individuals carrying out fieldwork, they feel comfortable. Fieldwork is carried out within the same region as well as outside the regions. Hence, when it is carried out in teams, it is soothing for the individuals. Therefore, carrying out fieldwork is a type of team building activity, which have proven to be useful in overcoming the feelings of vulnerability and apprehensiveness.

Getting Engaged in Group Discussions

In various types of organizations, there are organization of group discussions. The group discussions are organized with the main objective of imparting information among the team members in terms of various concepts, techniques and methodologies. Furthermore, when changes are to take place or improvements are to be brought about in various aspects of the organizations, in such cases as well, group discussions are organized. All the members participate in them, irrespective of their job positions in the hierarchy. The participation of the individuals in them contribute in honing the skills and abilities. The individuals form the team of two or more individuals when they are to participate in group discussions. Therefore, getting engaged in group discussions is a type of team building activity, which has rendered an important contribution in leading to up-gradation of knowledge, competencies and abilities.

Participating in Debates and giving Presentations

All the members of the organization, irrespective of their job positions in the hierarchy are required to participate in debates and give presentations. These in some cases are regarded as an integral part of the job duties of the individuals. Hence, they need to be well-versed in terms of various aspects, related to their job duties. These tasks can be carried out on an individual basis as well as in teams. When the individuals are participating in debates and giving presentations in teams, they are able to exchange ideas and seek assistance from others. These tasks would render an important contribution in honing the knowledge, skills and abilities. Therefore, participating in debates and giving presentations is a type of team building activity, which has proven to be favourable in enhancing career prospects of the individuals.

Bringing about improvements in various Aspects of the Organizations

In order to bring about improvements in various aspects of the organizations, the team work is promoted among individuals. All the members of the team are required to work in collaboration and integration with each other. They exchange ideas and viewpoints, which would prove to be beneficial to the organization as a whole. The members of the team are required to conduct research on regular basis in terms of methods and strategies. In this manner, they are able to generate information in terms of the ways, which need to be implemented to bring about improvements. Limitations need to be identified in a timely manner and measures need to be put into operation to bring about improvements. Therefore, bringing about improvements in various aspects of the organizations is a type of team building activity, which

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needs to be focused upon throughout the functioning of the organizations.

Conclusion

In all types of organizations, team building activities need to be promoted. These activities are considered vital in promoting well-being of the employees as well as the organizations as a whole. Factors to be implemented in the promotion of team building activities are, implementation of effective communication processes, formation of positive viewpoints regarding others, implementation of decision making processes, generation of information in terms of methods and strategies, making use of modern, scientific and innovative methods, reinforcement of the traits of helpfulness and co-operation, inculcating the traits of morality and ethics, implementing the traits of diligence, resourcefulness and conscientiousness, depicting the traits of honesty and truthfulness and honing leadership skills. Types of team building activities are, working on assignments and projects; organizing seminars and workshops; carrying out fieldwork; getting engaged in group discussions; participating in debates and giving presentations and bringing about improvements in various aspects of the organizations. Finally, it can be stated, when team building activities will be promoted, the members will develop motivation towards the implementation of job duties and achievement of organizational goals.

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A LOOK INSIDE THE SHOPPING BAGS OF THE NEW INDIAN CONSUMERS : WHERE IS THE FUTURE INDIAN CONSUMER HEADED?

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Abstract:
As the global economy is gradually transitioning from the respond phase to the recovery phase, India is also looking at riding on the festive wave and positive consumer sentiments to return to normalcy. Between the complete lockdown, the relaxed stay at home orders, and the gradual unlocking of the economy, quite a few things have changed in the consumer industry landscape and economic activity has picked up. Although economies across the world are in various stages of re-opening, workplaces and factory floors in India have again started bustling with increasing levels of activity. However, the normal acts of visiting a store, eating out, staying in a hotel, or taking a flight have become a cause of concern for people across different age groups. Consumers are likely to spend with caution and save more to prepare for worse times. On the other hand, businesses will likely be averse to investing in capital-intensive projects and have curtailed hiring due to economic uncertainties. The journey to resume normalcy seen before COVID-19 hit the economy will be fraught with challenges related to personal and financial well-being. The interplay between personal safety and consumer sentiment is affecting consumers' spending behaviour. The spend on internet and mobile has also reduced as people are now returning to their workplaces and may not use internet connection as frequently as they did during the lockdown at home. The paper aims to grasp the conceptual framework regarding diversion in consumer buying behaviour and modern retailing in India.
KEYWORDS: Consumer Behaviour in India, Indian Buying Strategies, Preference of Indian Consumer.

INTRODUCTION

Dobre, Dragomır and Preda (2009) fragmented buyer creativity for showcasing advancement. Different studies have demonstrated that crosswise over item classes, trailblazers tend to be: feeling pioneers, hazard takers, more at risk of acquire data from broad communications than through verbal, receptive new plans and alter, moderately youthful then on. Advertisers have to distinguish the section of the market that's destined to embrace another item when it's the initially presented.

Oghojafor and Nwagwu (2013) analyzed the impact of socioeconomic variables on store choice for

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grocery products. The study was conducted in context to Lagos state of Nigeria. This study implemented a descriptive and cross-sectional research design. Convenience sampling technique was accustomed select 275 female respondents. Questionnaire was used because the study instrument. The collected data were analyzed through the applying of statistical techniques like Pearson moment coefficient of correlation and therefore the Chi-square. The study concludes that the selection of retail outlet for groceries by Nigerian women isn't influenced by their socioeconomic variables like income, the extent of education, form of employment, legal status and family size.

Vij, P. (2013) made a study to analyse the behaviour of consumer in buying the products from unorganized and arranged retail stores. Again, the aim of the study was to search out out the satisfaction level of consumer both in organized and unorganized retail stores. This study implemented qualitative methodology for collecting primary data. The study identified some significant findings. The primary finding is that unorganized retailers are affected in terms of business and profit.

Kumar and Purkayastha (2013) examined a study on retail loyalty schemes influencing consumers buying behaviour. Loyalty cards or membership cards are one amongst the foremost popular tools of consumer loyalty programs. As marketers grapple with ways to multiply their customer base and stop customer defection, they have a tendency to indicate increasing affinity towards the reward programs to retain and reinforce their loyal customers. This is often more visible within the retail sector, where the issuance of membership cards to the consumers has become a standard feature.

Kalaiselvan (2013) highlighted the importance of commercial for creating a call on purchasing. The study location was U.S. during this respect, the responsible factors for pushing sales growth were in terms of certain offers, contribution of publicity, public relation, etc.

Mathur et al. (2013) Examined the variables between conventional and modern retail format. The study was disbursed in Udaipur and Kota to spot the factor that impacts the buyer buying behaviour in conventional store and modern retail mall. The findings illustrated that there's major impact on consumer buying behaviour in both conventional store and modern retail format. Moreover, the study also portrays that family is that the major influence in India, where joint family is taken into account as significant societal feature.

The consumer landscape shifted noticeably in India in 2023 as inflation, agricultural distress, downtrading, aspirational buying and premiumisation defined the consumption patterns. Urban markets have been the drivers of growth with modern trade and ecommerce leading the way as consumers at the lower end hesitated to spend while the affluent splurged on premium goods. Yet, green shoots of recovery were seen too amid hopes of a revival in overall consumption in 2024. The Indian consumer market has higher disposable income the development of modern urban lifestyles. Increase in consumer awareness has affected buyer’s behavior in cities, towns and even rural areas. According to a 2010 report by McKinsey & Co., India is set to grow into the fifth largest consumer market in the world by 2025. Rising incomes in the hands of a young population, a growing economy, expansion in the availability of products and services and easy availability of credit all has given rise to new consumer segments and a rising acceptability of debt, whether it is mobile phones, credit cards, apparel or organized retail, people clearly

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seem to be spending more, particularly on discretionary items. The credit facility from business houses has been increasing at a rapid rate. This shows the terrific cut-throat competition in the ever changing market. In any business concern, changing consumer behaviour may be a big challenge in sustainable growth of the business. In developing country like India, there's have to formulate and successfully implement strategies associated with consumer behaviour because there are fewer resources to fulfill the essential requirements of the business. Changing consumer behaviour is a complication within the growth of business because it ends up in heavy losses because of old-fashioned stock of the organization. Consumer behaviour is complex and really often not considered rational. An extra challenge is that consumer personalities differ across borders and also between and within regions. As small towns rise on India's consumption map, companies can expect more consumers shopping online especially for premium products since the hinterland has been underserved by traditional retail in categories such as apparel, electronics and jewellery. At the end of 2023, even as offline retail operated at full strength, more than 50% of total festive sales came through online platforms against 45% in 2022, consulting firm Grant Thornton Bharat estimated. Sales growth for online retailers has been prolific in the last decade. The e-commerce industry in India is expected to grow to 200bn $ (US) by 2026 from 39bn US$ in 2017 at a staggering annual growth rate of 51%, the highest ever witnessed on Earth (India Brand Equity Foundation (IBEF), 2018; Nigam et al., 2020). In terms of Internet users, India has about 493 million active users, about 45% of the total population. This number is expected to grow at rapid speed owing to the widespread penetration of cheap Chinese smartphones and rising household incomes (Priya et al., 2018; Kantar IMRB, 2019). The paper aims to grasp the conceptual framework regarding diversion in consumer buying behaviour and modern retailing in India.

Less anxiousness amongst consumers

The entire world is undergoing a collectively anxious phase. One piece of good news for India is that its anxiety levels have decreased in wave 12 (31 percent), compared with wave 1 (41 percent). However, anxiety levels have gone up from wave 11 (27 percent). This may be due to an increase in COVID-19 cases as factories, shops, offices, and markets have reopened, and movement and people contact have increased. Anxiety parameters comprising health and safety concerns, and financial and employment apprehensions vary for consumers at the different age groups covered in the survey. People across age groups continue to have high health and safety concerns. These concerns indicate how safe people feel while buying groceries from a near-by store, dropping kids to school, and watching a movie in a theatre on a weekend, which were part of their routine life until recently. However, concerns around visiting a store and engaging in person-to-person service have eased for the 18-34 and 35-54 age groups. Safety perception in terms of eating out and attending in-person events has improved in these groups. On an interesting note, in the 55+ age group, the number of people who feel safe staying in a hotel and taking a flight has almost doubled in wave 12 (65 percent and 68 percent, respectively), compared with wave 1 (35 percent and 35 percent, respectively). At the start of the pandemic, people were less willing to travel due to high health, financial, and employment safety concerns. About two-thirds (close to 66 percent) of the

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people in this age group also feel safe going to restaurants, attending in-person events, and engaging in person to person services. The percentage of people who feel safe visiting a store in wave 12 is the highest in this age group (74 percent: age 55+, 58 percent: age 35-54; and 52 percent: age 18-34).

Easing financial and employment concerns

People expect fewer job cuts in wave 12 (58 percent) compared with wave 5 (78 percent) on account of lower anxiousness amongst Indian consumers because of positive attitude and sentiments sparked by festivities. However, financial concerns continued to weigh high on minds of those aged more than 55 as the fear of losing job is maximum in this age group. This fear stems from the fact that these people are nearing their retirement age, and mostly holding high paying profiles; they could be relieved early from their services. More than 50 percent people continue to tighten their purse strings and are deferring any big purchase decisions. The pandemic-induced uncertainty is leading people to delay their decisions to purchase big cars, gold and diamond jewellery, and luxury brands, as well as invest in real estate. Financial safety concerns, along with restrictions on large public gatherings and enforcement of social distancing norms, have started a trend of minimalist weddings as people are saying no to extravagant and lavish weddings. People's financial concerns are directly correlated with their employment concerns, as more than half the people surveyed suspect that this worldwide pandemic will cost them their jobs and eventually jeopardise their financial situation. However, fewer people (31 percent in 18-34 age group, 22 percent in 35-54 age group, and only 9 percent in 55+ age group) are concerned about returning to their workplaces. These numbers reveal an interesting trend that people in the higher age group are keen on returning to their workplaces as they have a low job safety perception. Employment safety perception also influences consumers' decision to make upcoming payments. On one hand, 40 percent people in the 18-34 age group are skeptical about making advance payments as most of these are either at the entry or middle level of their career and not optimistic about their future job prospects. On the other hand, 64 percent people at the end of the spectrum (older and retired consumers) are not willing to spend much on discretionary items to prepare themselves for worse times given the uncertainty caused by the pandemic.

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Table 1: Health and safety perception across age groups

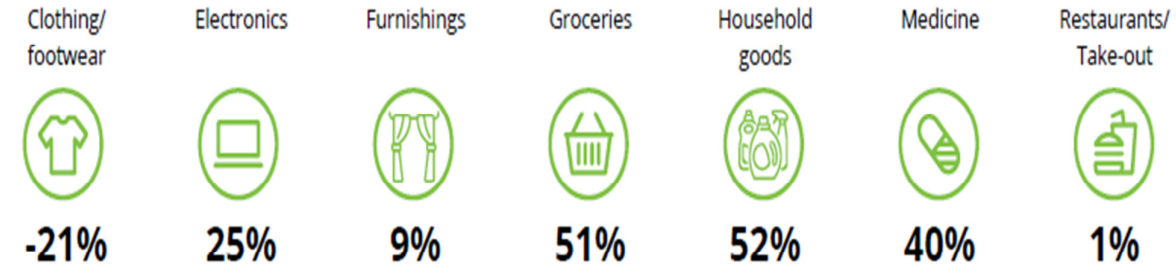
Age groups	Trends
18-34	More than 70% of the people surveyed are still concerned about their health and that of their families in waves 11 and 12. This number has not changed much compared with wave 1 (69%-self and 74%-family's health).
35-54	Health and safety concerns for family went up to the level seen at the start of the pandemic (85%, wave 1)
55+	The wave 12 level (80%) was higher than the wave 1 level (72%). One reason could be **a spike in cases as a result of increased movement in view of the upcoming festive season.**

Source: Deloitte State of Consumer Tracker

Improvement in net spending intent

The pandemic has not only taken over the world economy by surprise but has also altered spending and shopping behaviour and plans of consumers for both discretionary and non-discretionary items. Economies across the world are at different stages of recovery and reopening, and have varying spending intent. However, India, along with the US and China, reported positive spending intent as the country has approached the festive/holiday season. The following figure confirms that household goods and groceries still account for a major part of the consumer spending plans in wave 12.

Figure 1: Net spending intent for essential and discretionary goods



Source: Deloitte State of Consumer Tracker

People are still prioritising purchase of household goods and groceries. Expenses on medicines and health care have gone down, implying less anxiousness amongst people from what was observed in wave 5 and 1. However, in wave 12, across all age groups, spends on essentials (53 percent) and groceries (50 percent)

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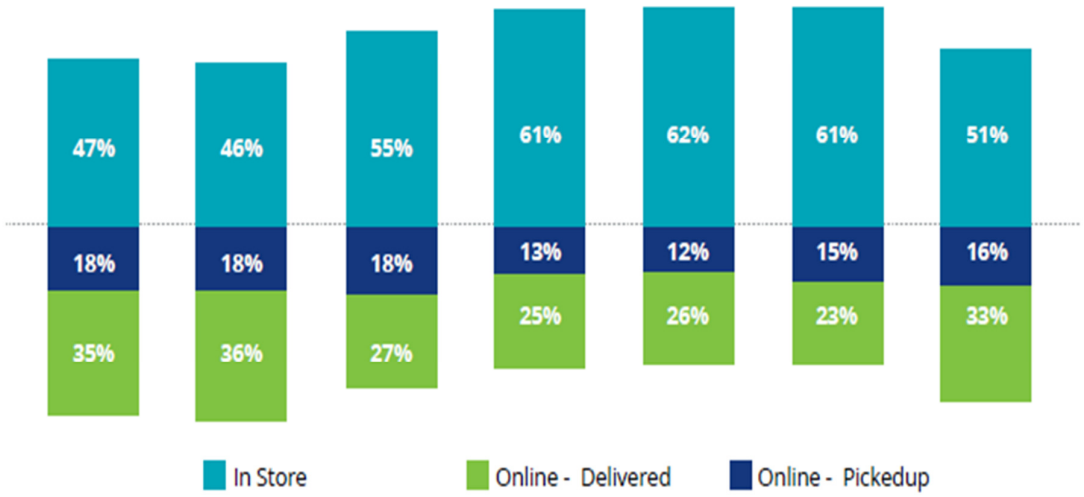
is expected to decrease from wave 1 (55 percent and 56 percent, respectively) as people are no longer indulging in panic buying and stocking up. The spend on internet and mobile has also reduced as people are now returning to their workplaces and may not use internet connection as frequently as they did during the lockdown at home. For more discretionary items, such as clothes and footwear, and electronics, net spending intent has improved in wave 12 as people have joined in the festivities of Durga Puja, Diwali, and the upcoming wedding season. It is interesting to note that spending plans for these items were quite dismal in wave 11 (9 percent for clothes and footwear, and 11 percent for electronics). Now more people are queuing up in stores to buy clothes and footwear. One noteworthy observation is that in the 55+ age group, spending intent that was negative for some discretionary items, such as furnishing (-25 percent), restaurant/takeout (-34 percent), electronics (-20 percent), and travel (-30 percent), in wave 1, has now turned positive in wave 12 (34 percent, 20 percent, 31 percent, and 23 percent, respectively). This could be attributed to the higher anxiety level at the start of the pandemic – the elderly people were bracing themselves for the worst. Overall, the purchase intention has increased across both the discretionary and non-discretionary categories as well as the online and offline channels.

Figure 2: Intended shopping channels – breakdown

In-Store vs. online



Source: Deloitte State of Consumer Tracker

E-commerce to transform the consumer market landscape

In the retail segment, there is a visible transition towards the e-commerce and digital platforms, and contactless retail formats, such as buy-online-pickup- in-store (BOPIS). E-commerce is picking up as consumers prefer touchless transactions and are averse to using point-of-sale terminals to avoid risk of catching infection. Since the onset of the pandemic, some retailers have started offering the BOPIS option.

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The trend of BOPIS is consistently increasing as this option offers a win-win proposition for both consumers and retailers. Customers can get better deals and find it convenient as they may return the item on the spot if needed. After the COVID-19 crisis, a furniture retail company and a hypermarket chain have started offering BOPIS service as it leads to decreased delivery cost and time, and fewer complaints (related to returning or replacing an item). When consumers visit stores to pick-up their goods, some may be tempted to look around and fill their cart with things they did not originally intend to buy. The factors fueling this transition include health and safety concerns, convenience, increased tech-savviness amongst people across age groups, especially the 55+ age group. In this age group, the number of stockpilers has increased by 20 percent to reach 75 percent in wave 12, compared with 55 percent in wave 1. The same age group prefers giving more weightage to locally sourced items even if they cost more (80 percent in wave 12 and 69 percent in wave 1). Bargain hunters have also increased from 72 percent in wave 12, compared with 41 percent in wave 1, as more elderly people have started exploring internet for shopping. Interestingly, this category has seen a deceleration in the other two age groups that are considered more tech-savvy. In wave 12, only 49 percent bargain hunters (65 percent in wave 1) exist in the 18-34 age group, indicating that people are not increasing their spend on non-discretionary items. After unlock 5.0 and due to the festive season, the number of active cases is increasing. This is leading to a rise in online purchases. One thing is common across age groups – preference to spend more on items of convenience and opting brands that have responded well to the crisis. E-commerce trends in India were promising in the first six months, i.e., wave 1–8 (since the onset of the pandemic), but online sales for discretionary and essential items dipped in waves 11 and 12. It is noteworthy to mention that the last two waves coincide with unlock process and festive/holiday season during which people visited stores for festive purchases in India.

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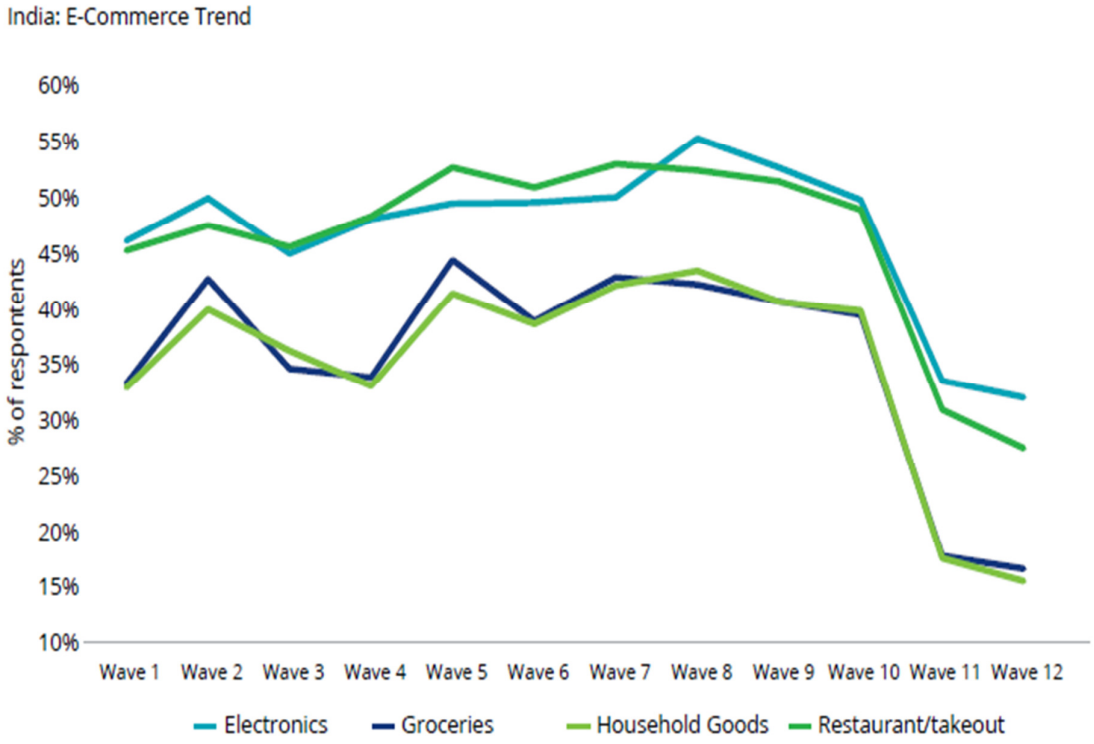
Figure 5: E-commerce trends in India for discretionary and essential items



Source: Deloitte State of Consumer Tracker
Note: Percentage of the participants who responded to "Intend to spend over the next four weeks" and "intended purchase channels".

Road ahead for the travel and hospitality industry

The global pandemic has set the travel and hospitality industry on a journey to reach the "next normal". And, how soon the industry will reach that level by redirecting its strategies and re-channelising its efforts and resources cannot be predicted. When it comes to travelling, the safety perception still looks bleak. A majority of the people are still not comfortable travelling for leisure. They have put their travel plans to international destinations in the backburner. They are preferring staycations, and scouting for nearby places or weekend gateways to get a break from their regular schedules. Pre-wedding shoots and post-wedding travels (honeymoon, etc.) may also be restricted to domestic destinations (green zones) or those international destinations where the epidemic curve has almost flattened or is rapidly flattening. In the 18-34 age group, 41 percent people feel safe flying right now and 38 percent are comfortable staying in a hotel. In the 35-54 age group, less than 45 percent feel safe taking a flight or staying in a hotel. Surprisingly in the 55+ age group, more than 65 percent people feel safe flying or staying in a hotel because of lower anxiety levels compared with wave 1.

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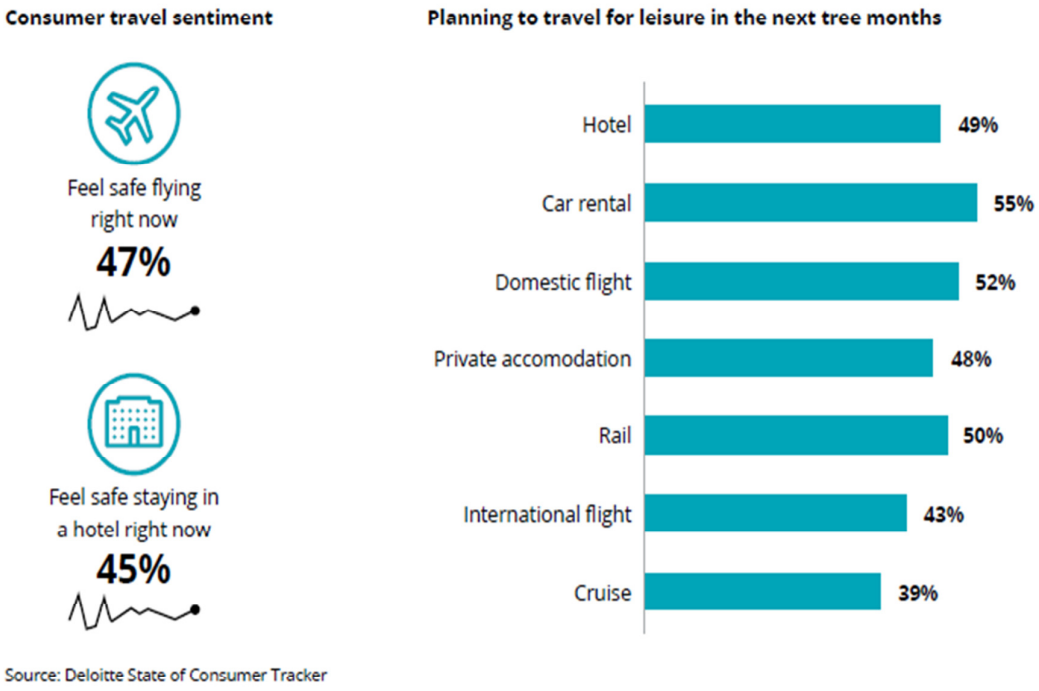
Figure 6: Decoding consumer travel sentiment



Source: Deloitte State of Consumer Tracker

Demand for leisure travel may pick up in time for the festival/wedding/holiday season. Hotel demand remains constant while demand for other travel-related services sees sharper increases.

Mobility of the automobile sector

Six in 10 people are putting off regular maintenance for their vehicles. But in the 55+ age group, 8 in 10 people are redeploying budgets they have earlier kept aside for vehicle maintenance due to high financial and employment concerns. More than 75 percent people across age groups plan to keep their vehicles longer than they were originally expecting.

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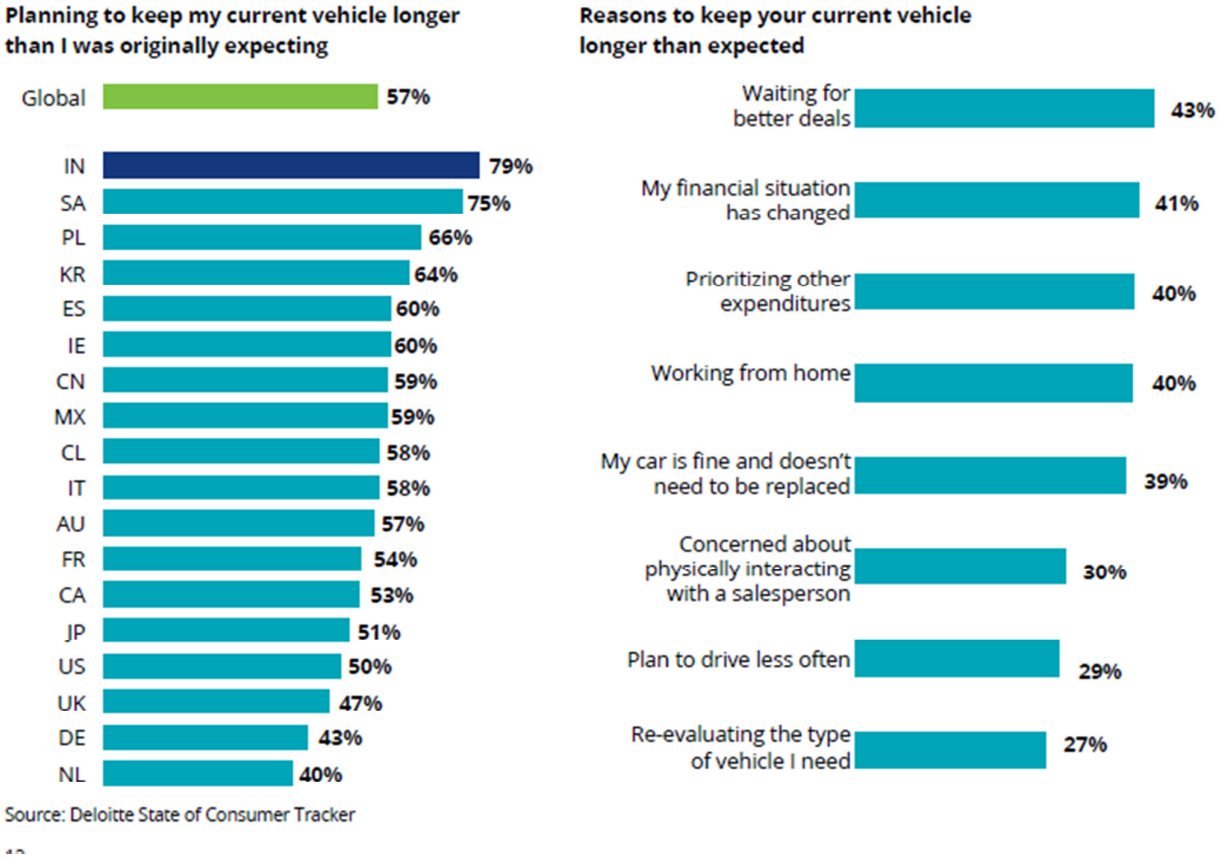
Figure 7: Trend of keeping current vehicle across countries and associated reasons (in India)



Source: Deloitte State of Consumer Tracker

A heavily disrupted automobile sector is striving to court consumers back into the new vehicle segment. Although reaching the activity level seen before COVID-19 may take longer, the sector will see more demand for pocket-friendly, compact, and small and middle-range vehicles compared with large luxury cars. This trend is also validated by the financial concerns that are leading people to postpone big purchase decisions – buying a big car or replacing the old car is one of them. Moreover, shifts in the work culture also influenced this trend. Now some organisations have completely adopted the work from home model, while some are partially (2-3 days in a week) operating from offices. Such a situation, coupled with movement restrictions, warrants minimal use of cars. However, a significant spurt is expected in the sale of old vehicles. More people are crowding the shops of used car dealers to negotiate the best price for vehicles of their choice. This transition also indicates how people's perception about safety and mobility is shifting. To observe social distancing norms (necessitated by COVID-19), people have started giving weightage to the idea of owing a vehicle. They are still wary of sharing a ride with strangers and consider personal vehicles much safer and hygienic than public transport. Ride-hailing service providers will have to wait longer for witnessing green shoots of recovery or an increase in activity. People may also consider buying two-wheelers instead of four-wheelers to conserve money. The two-wheelers and three-wheelers segment, especially in tier 2,3, and 4 cities, may also register growth in demand and sales. Across the age groups, consumers from the lower- and middle-income segments may prefer getting a two-wheeler or

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three-wheeler home, rather than a small car. In this way, this decision will not only tide them over until the financial uncertainty lessens but also boost their travel safety perception.

RESULT & FINDINGS

Although it has become evident from our past surveys that the retail industry will keep on encountering challenges on the road to recovery, retailers' traditional approach to attract customers may become obsolete in this "new normal" scenario. Here are the top five suggestions that may help the consumer and retail segment to thrive in the new normal:

Resetting priorities: Realigning and rebooting their business models, and adapting (by being agile) to changes faster are what retailers need to rebuild a growth path.

Going beyond traditional hiring models: The pandemic has introduced a transformation in the work culture. Quite a few organisations have permanently moved to the work from home models, cutting their real estate cost (rent, etc.) and administrative overheads. This transformation has also brought about a change in the new hiring processes. Now organisations are actively engaging gig economy (freelancers) and contractual workers and roping them in projects to avoid increasing their fixed cost and burden.

Ensure customers' safety: The travel industry has started offering touchless onboarding and following every safety protocol to promise travellers a safe and comfortable experience. Although people are travelling for business and other unavoidable circumstances, they are still thinking twice before boarding a flight for leisure travel.

Automotive sector to drive on the two- and three-wheelers and small car segments: The sector may focus on these segments in the short-term to stay afloat. It should also expect an upsurge in the used vehicle segment in large and small towns. In view of these trends, automobile companies should realign their marketing and sales strategies to tap the consumer base in tier 2,3, and 4 cities.

Adopt omni-channel approach: The retail segment should embrace this approach that involves a mix of the offline (physical stores) and online (e-commerce, digital) channels. In other words, retailers need to connect with consumers at every touchpoint and offer them a wholesome "phygital (physical+digital)" experience to attract and retain them. This has become even more important in the present times when people need to maintain social distancing and take other precautions required for flattening the pandemic curve. Our survey findings reveal that the share of e-commerce is expected go up further in the overall retail channel mix. If used effectively, e-commerce and digital channels have the potential to put retailers out of their misery and accelerate their growth to help them return to normalcy in the post-pandemic world.

CONCLUSION

This season seems to have lifted people's mood, spirit, and sentiments, compelling them to leave the comforts of their homes and flock to stores to check out festive deals. Consumers may also look at buying small or used cars or two-wheelers, instead of opting for new and expensive cars. This news might offer some respite to automobile companies. The travel for leisure would be restricted to close-by and domestic

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destinations as concerns regarding health and safety have still not lessened considerably.

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FACTORS AFFECTING THE ROLE OF STATE IN THE CONTEXT OF DIGITAL TRANSFORMATION OF EDUCATION IN VIETNAM

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ABSTRACT
Education 4.0 (EDUC4) is a trend that is completely changing the way of teaching and learning at all levels from preschool, elementary school, high school to university in the 4.0 industrial era. This concept encourages learners to equip themselves with skills and knowledge through virtual learning environments and advanced technologies such as the Internet of Things (IoT) and artificial intelligence (AI). However, to implement EDUC4 effectively and fairly, the role of the state is very important. The state needs to develop supportive policies, invest in technology infrastructure and digital skills training for teachers. Synchronization between policy and practice is a key factor to create a modern, flexible education system that meets the requirements of the Fourth Industrial Revolution. In Vietnam, digital transformation in education is institutionalized in documents from the Prime Minister and the Ministry of Education and Training. The national digital transformation program to 2025, with a vision to 2030, has changed teaching methods from traditional to active, improving the quality of education and saving time. The Ministry of Education and Training has built a database to manage detailed information of all schools from preschool to high school, digitized and connected the education sector database with the national database. about population. Although many positive results have been achieved, Vietnam still has many limitations in implementing EDUC4, such as difficulties with network infrastructure in remote areas, control of digital learning materials, and legal regulations. Incomplete. A strong effort from the state is needed to overcome these challenges and ensure that all learners have access to modern and effective education. Through this article, the author provides a qualitative research model from previous studies on factors affecting the role of the state in EDUC4, thereby conducting linear regression analysis and providing solutions. suitable recommendations.
Keywords: State; EDUC4; State Management of Education.

INTRODUCTION

Education 4.0 (EDUC4) is a concept that has been changing the way of teaching and learning in the 4.0 industrial era. From encouraging learners to equip themselves with the necessary skills and information to using virtual learning environments and smart technologies such as the Internet of Things

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(IoT) and artificial intelligence (AI), EDUC4 opens up a new door to contemporary education (Fisk, 2017; Dunwill, 2021; Huba, 2016; Ciolacu, 2021; Vodenko, 2020; Jamaludin, 2020). However, to implement EDUC4 effectively and fairly, the role of the state is undeniable. The state needs to develop supportive policies, invest in technology infrastructure and digital skills training for teachers. Only when there is synchronization between policy and practice can we create a modern, flexible and effective education system that meets the requirements of the Fourth Industrial Revolution.

Countries such as Thailand, Malaysia and Singapore have pioneered specific initiatives such as the "Thais 4.0" plan and the Smart Nation initiative, which serve as benchmarks for the adoption of EDUC4 elsewhere. However, developing countries face unique infrastructure and financial challenges and need strong support from the state to implement EDUC4 equitably and effectively.

One of the biggest challenges is that managing the education system in EDUC4 requires many digital skills, especially in higher education institutions. Training the workforce with these skills is a necessary step to meet the demands of the new era (Costan et al., 2021; Puncreobutr, 2016; Benešová, 2017; Butt et al., 2020). Fostering public-private collaboration and finding innovative financing measures are key to overcoming infrastructure and financing barriers. Only with strong intervention and support from the state can we overcome current challenges and ensure that every learner has the opportunity to access and benefit from technological advances in education. education (Indrajit et al., 2021).

Generally, implementing EDUC4 requires consensus and joint efforts from all stakeholders, but the role of the state is irreplaceable. Policy and support from the state are key to ensuring that education is on the right track and meets the needs of the new era.

In Vietnam, the implementation of digital transformation is institutionalized in written actions of the Prime Minister and the Ministry of Education and Training to carry out the task of applying information technology and digital transformation, specifically National digital transformation program to 2025, orientation to 2030 approved by the Prime Minister, education and training is one of the priority areas for digital transformation. This has gradually changed teaching methods from traditional to active, helping teachers and learners develop their thinking ability, creativity, initiative and efficiency. Not only does it improve the quality of education, but it also saves time, teachers have more time for their expertise, and work closer to students. The results of information technology application and digital transformation of the Ministry of Education and Training have achieved some important results: For preschool and general education, the Ministry of Education and Training has built a database system to manage detailed information of all schools from preschool to high school, including database components. Component data (including schools, classes, students, teachers, facilities, finances...) and synthesize data information from 63 Departments of Education and Training (provincial level), 710 Departments of Education and Training (district level). Thereby, we have digitized and attached identification codes of nearly 24 million student records (digitizing information about background, learning process, training, health...), more than 1.5 million teacher records, staff and managers (profiles, professional qualifications, standard assessments) from 53 thousand schools and information about school facilities and toilets. The Ministry of Education and Training has successfully connected the Education Sector Database with the National Population

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Database (managed by the Ministry of Public Security). Thereby, synchronizing, authenticating citizen identification codes and sharing data of more than 1.5 million teachers (reaching 95%) and nearly 21 million student records (reaching 92%).

Application of information technology to serve the high school graduation exam and university admission work is implemented synchronously and thoroughly. From registering for the exam, applying for admission to paying the admission fee and confirming admission, all are done online for all candidates.

The application of information technology in teaching is increasingly deployed throughout the industry. The Ministry of Education and Training has issued instructions on building digital learning materials and online courses. The industry-wide digital learning resource warehouse was built and contributed to the Vietnamese Knowledge System to digitize more than 7,000 quality E-learning lectures and more than 2,000 lectures on television. Currently, the Ministry of Education and Training plans to provide free management software for educational institutions (high schools and preschools). The software meets basic school administration requirements, meets the Ministry's data standards and connects 100% of data with the Education sector database. It can be seen that the application of information technology and digital transformation is an inevitable trend of the 4.0 era, with the positive results from digital transformation of education achieved recently will be an important motivation, from That is to continue to strive for fundamental and comprehensive innovation in education at the present time as well as in the coming time. Thereby, contributing to improving the quality of human resources and creating momentum for Vietnamese education to make a breakthrough in a more comprehensive digital transformation process.

However, Vietnam still has many limitations in implementing EDUC4.0:

Firstly, the process of accessing online knowledge in remote areas faces many difficulties: for mountainous or remote areas. In remote areas, network infrastructure and information technology equipment are not guaranteed, causing a great impact on educational management in teaching and learning. This is the problem that must be prioritized to overcome for successful implementation, especially the need for online teaching and learning when direct learning conditions do not allow.

Second, there is no close and comprehensive control of digital learning materials to meet the learning and research needs of learners, requiring an accurate digital document repository. However, our country's human and financial resources are still unable to meet this task. Therefore, there are currently many situations where digital learning materials are widespread, lack authenticity, and are not strictly controlled in terms of quality and content. From there, it causes inconsistency in knowledge and creates many other consequences such as financial wastage and time wasting.

Third, legal regulations on education have not yet been completed: this is a big problem affecting intellectual property rights as well as information security... At the same time, this is also an opportunity to complete Improve regulations on time and how to check and recognize online learning results. However, these issues are currently not being implemented consistently, clearly and strictly, thereby causing many inadequacies in the digital transformation process (Hue, 2022).

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LITERATURE REVIEW

According to Fisk (2017), the new vision of learning encourages learners to equip themselves with the necessary skills and information, and to seek resources to support the learning process. Learning is based on an understanding of where and how to learn, with performance tracked and customized based on data. Dunwill (2021) reports that technological innovation continuously changes teaching methods and learning environments. In the context of Education 4.0 (EDUC4), the learning process may require the use of virtual learning environments (VLEs) to combine physical and virtual materials (Huba, 2016), along with intelligent learning processes. Smart integration of the Internet of Things (IoT) through wearables and smart sensors (Ciolacu, 2021) and artificial intelligence (AI) to automate systems (Vodenko, 2020). Curriculum design in EDUC4, especially in higher education institutions (HEIs), needs to reflect this technologically advanced environment (Jamaludin, 2020).

The role of the state in implementing EDUC4 is extremely important. The state needs to develop supportive policies, invest in technology infrastructure, and promote digital skills training for teachers. Only when there is synchronization between policy and practice can we create a modern, flexible and effective education system that meets the requirements of the Fourth Industrial Revolution. Countries such as Thailand, Malaysia, and Singapore have launched specific initiatives, such as the "Thais 4.0" plan and the Smart Nation initiative, that set the standard for other countries to adopt Use EDUC4. The state also needs to promote public-private collaboration and innovative financing measures to overcome infrastructure and financing barriers, ensuring effective and equitable implementation of EDUC4 (Costan et al., 2021).

Managing education systems in Education 4.0 (EDUC4) requires many digital skills to use intelligent agents, mobile technology, cloud computing, and many other technologies (Puncreobutr, 2016; Benešová, 2017). While these skills are often taught in technology-intensive programs such as engineering, computer science, and information technology, they are not as common in educational programs that focus on pedagogy. This observation suggests that the training of educators at universities is one of the reasons for the shortage of digitally skilled education professionals, which hinders the effective implementation of EDUC4. Therefore, higher education needs to improve the skills of the workforce to meet the requirements of EDUC4 (Butt et al., 2020).

Puncreobutr (2016) highlighted ten powerful teaching tools of EDUC4, including: visual learning, evolving currency, personalization, gamification, social media, game-based learning play, connection, project-based learning, and the fusion of physical and digital. Equipping these tools requires teachers to become more dynamic and adaptive, in contrast to the usual rigid pedagogical approach. However, despite the presence of these tools, education continues to be viewed primarily through a traditional lens (Abrams and Merchant, 2019), with formalist approaches applying broad knowledge of syntax and form (Oxman, 2008).

The growth of new knowledge and its increasing availability through digital media requires educators to be more flexible and creative in their teaching methods to keep up with innovation industry.

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Infrastructure requirements, such as internet connectivity, digital communications suites, data centers and networks, and digital hardware, are essential to achieve this goal. Unfortunately, these requirements are among the most difficult challenges universities face, especially in developing economies. Information and communication technology (ICT) supporting infrastructure is one of the core components of EDUC4 (Miranda et al., 2021), while financial resources are the driving force of educational reform (Zajda, 2015). The lack of resources typical in developing countries requires the adoption of alternative infrastructure to deploy EDUC4. A systematic investigation of these barriers would greatly benefit the implementation of EDUC4 in financially constrained areas.

Hershock et al (2007) reported that institutional change among universities lags behind the growth of technological innovation. One of the main reasons for this slow response is the asymmetry in the strategies of organizations implementing Education 4.0 (EDUC4) and the capacity of learners to meet or comply with its requirements. Thorell et al (2015) emphasize the need to tailor EDUC4 implementation strategies to learners' needs and abilities. For example, strategies offered by higher education institutions may require learners to own a personal computer. However, in developing countries, this strategy may not be feasible due to the limited financial capacity of many families. Instead, universities can provide access to computers and local area networks (LANs) on campus, but this requires learners to share the cost through additional tuition fees. addition, making EDUC4 unfair to students from financially disadvantaged households. The state needs to ensure that education policies and financial support are designed to reduce the financial burden on learners, especially those from low-income families. Furthermore, the state needs to invest in technology infrastructure at universities, such as internet networks, computers and other supporting equipment, to create conditions for all students to have the opportunity to access technology in a fair way. At the same time, the state also needs to promote public-private cooperation to mobilize the necessary resources to support the comprehensive and effective implementation of EDUC4. Only with strong intervention and support from the state can we overcome current shortcomings and challenges, ensuring that all learners have the opportunity to access and benefit from technological advances in education.

A major challenge in digital education is how policymakers can more effectively evaluate and build the EDUC4 development platform (Tan et al., 2017). From the previous discussions, it is clear that there is a need to develop public-private partnerships, promote mindset changes and provide critical skill sets to teachers and learners to implement EDUC4. Addressing these concerns is critical to creating resilient and productive professionals in technology-driven environments (Tapsir and Puteh, 2018).

Indrajit et al (2021) emphasize that it is vital for governments and senior management of universities in developing economies to initiate proactive measures to address these constraints. Financial concerns related to EDUC4 implementation. The role of the state is to provide policy support and funding to reduce the financial burden on educational institutions and learners. Governments need to invest in technology infrastructure, such as internet networks, digital devices and other supporting technologies, to facilitate the implementation of EDUC4. At the same time, the state also needs to promote public-private cooperation to

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mobilize resources and build a comprehensive digital education ecosystem. Strong intervention and support from the state is a prerequisite to overcome current challenges, ensuring that every learner has the opportunity to access and benefit from technological advances in education.

From the above content, it can be seen that the role of the state in providing solutions to overcome barriers in human resources, facilities, finance, linkages and educational management in the context of digital transformation of education.

RESEARCH METHODOLOGY

The research was conducted from January 2024 to March 2024 and applied the following specific methods: Qualitative research through synthesizing theories and results from previous researchers related to the role of the state in the context of EDUC4.0, thereby proposing hypotheses and building a research model in the direction of adjustment, supplementation, ensuring compatibility with the context of digital transformation in education in Vietnam ; Afterwards, the author conducted a discussion with 10 experts (these are managers and researchers working in the field of education and training at all levels: preschool, primary school, secondary school and university) to calibrate and supplement scales and research models to better suit the research context. Quantitative research was conducted by the author through basic analyzes such as statistics, Cronbach's alpha reliability assessment, EFA factor analysis, linear regression model from survey data of 250 subjects. The subjects were education officials from central government to local government, teachers at preschools, primary and secondary schools, lecturers at universities in Vietnam and collected 226 valid samples with Data collection period from April 2024 to May 2024.

Table 1. Summary of survey samples

No	Area	Number of survey form issued	Number of valid survey forms
1	Northern	85	73
2	Central	80	77
3	Southern	85	76
	Total	250	226

Source: Compiled by author

The quantitative research results specifically reflect the factors affecting the role of the state in EDUC4. The size of the sample applied in the study is based on the requirements of exploratory factor analysis (EFA). According to research by Hair et al. (1998), according to Trong. H., Ngoc. C.N.M. (2008) from Bollen's (1989) study, the sample size must be at least 5 times the number of variables in factor

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analysis. With the number of observed variables being 25, the minimum sample size must be 125. With the expectation that a valid sample will have a proportion greater than 50% of the total number of samples collected, the study chose a sample size of n=250. The research sample was conducted randomly, mainly based on relationships. The study took data from education sector officials in 08 provinces and cities; 10 major universities and 05 preschools and high schools.

The study sent out 250 questionnaires (200 online and 50 in person), resulting in 226 responses (176 online and 50 in person). The income survey form was checked for validity and reliability to eliminate unsatisfactory answer sheets, including blank answer sheets, inappropriate respondents, and answer sheets with only 01 answers. answers to most questions... For online answer sheets, the study used statistical functions on Excel software to select. With answer sheets directly on paper, selective research is done using the manual ballot counting method. After screening, the remaining answer sheets were 226, coded and analyzed using SPSS 20 software.

The study took random data, evenly distributed on gender variables: female (46.5%) and male (54.5%). Regarding educational level, the data focuses on bachelor degrees (42.9%) and postgraduate degrees (49.6%). Regarding age, the data shows that the majority of people surveyed are long-time workers with a lot of experience, focusing on the age group from 25 to 35 years old (36.7%) and the age group from 35 to 45 years old (27.4%). Regarding workplace, there is an equal distribution of survey questionnaires at state management agencies in education and universities, preschools, primary schools and high schools, including universities and high schools. Colleges and universities account for the highest proportion (53.1%).

Table 2. Descriptive statistical results

Variable	Content	Frequency (person)	Rate (%)
Gender	Female	105	46.5
	Male	121	54.5
Academic level	Associate Degree	17	7.5
	Bachelor Degree	97	42.9
	Post graduate	112	49.6
Age	Under 25	55	24.3

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Variable	Content	Frequency (person)	Rate (%)
	From 25 to 35	83	36.7
	From 35 to 45	62	27.4
	Over 45	26	11.5
Workplace	Ministry of Education and Training	15	6.6
	Department of Education and Training	20	8.9
	Division of Education and Training	15	6.6
	University, College and Academy	120	53.1
	Kindergarten, primary school, high school	56	24.8

Source: SPSS 20 analysis results

Table 3 below presents the results of the scale of factors in the research model, based on the criteria presented in the theoretical overview of the research, including: connectivity, human resources, management of education, infrastructure and finance.

Table 3. Scales of factors in the research model

No	Factor	Encode	Scale	Source
1	Finance	FN1	The state has a clear financial policy, promoting digital transformation in education.	Zajda (2015); Miranda et al. (2021); Costan et al. (2021)
		FN2	Schools use financial policies for digital transformation.	
		FN3	Autonomous financial resources are not enough for schools to carry out digital transformation.	
		FN4	State budget for digital transformation in education should be increased.	

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No	Factor	Encode	Scale	Source
		FN5	State budget on digital transformation in education should increase allocation to remote provinces with difficult living conditions.	
		IS1	The State has issued specific instructions and regulations on the arrangement of facilities to serve digital transformation in education.	Miranda et al. (2021); Fisk (2017); Dunwill (2021); Huba, (2016); Ciolacu (2021); Vodenko (2020); Jamaludin (2020)
		IS2	Facilities for digital transformation in education are guaranteed.	
2	Infrastructure	IS3	Internet, computer, and wifi systems ensure teaching and learning.	
		IS4	Digitally converted classrooms ensure full equipment and amenities for teaching and learning.	
		IS5	The network environment with digital learning resources ensures teaching and learning.	
		ME1	The State issues clear and specific regulations on digital transformation in education.	
		ME2	Schools issue regulations on digital transformation in education in accordance with the practices of each educational level.	
3	Management of Education	ME3	The management and professional document system is digitized and fully deployed in the network environment.	Costan et al. (2021); Puncreobutr (2016); Benešová (2017); Butt et al. (2020)
		ME4	Training programs with output standards ensure adaptation to digital transformation in education.	
		ME5	The State conducts inspections, inspections and accreditation of educational quality for schools, ensuring educational quality in the context of digital transformation.	
4	Human	HR1	The State promulgates regulations on	Puncreobutr

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No	Factor	Encode	Scale	Source
	Resources		focusing on developing the quality of human resources in the context of educational digital transformation.	(2016); Dunwill (2021); Jamaludin, 2020
		HR2	Schools have strategies and plans to develop the quality of human resources in the context of educational digital transformation.	
		HR3	The content of personnel training and fostering focuses on skills and teaching methods appropriate to the context of educational digital transformation.	
		HR4	The staff is interested in improving professional quality and professionalism	
		HR5	Diverse digital learning resources, ensuring staff research.	
5	Connectivity	CN1	The State promulgates regulations on encouraging public-private cooperation in educational digital transformation	Indrajit et al. (2021); Costan et al. (2021)
		CN2	Schools issue policies inviting public-private cooperation in educational digital transformation.	
		CN3	Socialized capital is invested in physical facilities and information technology infrastructure, ensuring digital transformation in education.	
		CN4	Ensure the rights of all parties in public-private cooperation.	
		CN5	Businesses feel excited about investing in education.	
6	Role of State in EDUC4	RS1	Businesses feel excited about investing in education.	Costan et al. (2021); Miranda et al. (2021)
		RS2	The state strengthens accreditation to evaluate the level of digital transformation in education in schools.	
		RS3	The State strengthens its role in encouraging and mobilizing businesses	

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No	Factor	Encode	Scale	Source
			to participate in public-private cooperation in digital transformation of education.	

We have the following research model:

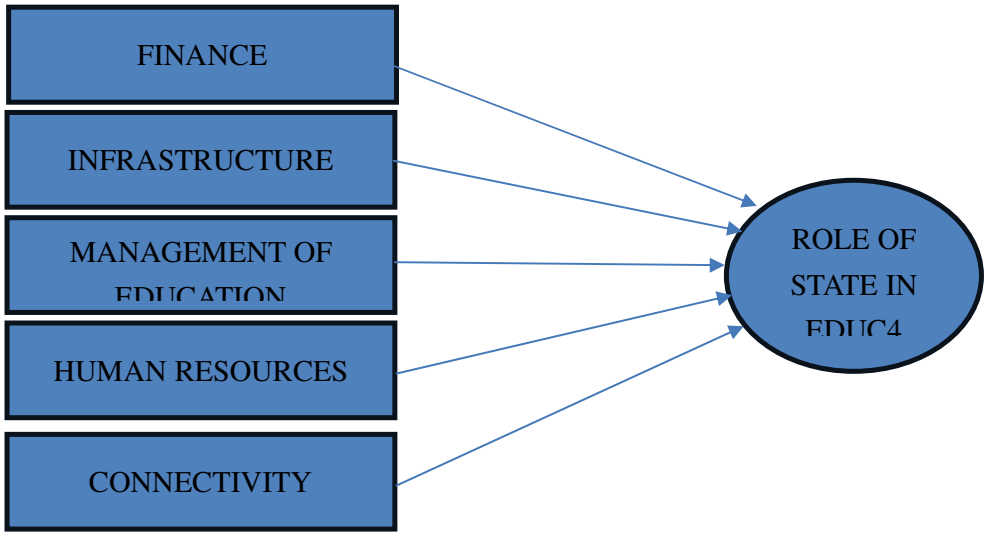

Figure 1. Research model

RESULT AND DISCUSSION

Assessing the reliability of Cronbach's alpha is the first step in implementing a linear regression model, with 28 variables of 6 factor groups included in the analysis, including: FN (Finance), IS (Infrastructure), ME (Management of Education), HR (Human Resources), CN (Connectivity) and RS (Role of State in EDUC4), all variables meet the requirements (total variable correlation coefficients are greater than 0.3). Along with that, all Cronbach's Alpha coefficients are 0.6 or higher.

Table 4. Summary of Cronbach's alpha coefficient

Factor	Number of initial variables	Cronbach's alpha coefficient	Number of valid

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			variables
Finance	5	0.790	5
Infrastructure	5	0.832	5
Management of education	5	0.861	5
Human Resources	5	0.848	5
Connectivity	5	0.806	5
Role of State in EDUC4	3	0.619	3

Source: SPSS 20 analysis results

Thus, after evaluating the reliability of Cronbach's alpha, the study had 28 suitable variables belonging to 6 factors to include in the EFA factor analysis to explore the scale structure of 05 independent factor groups, namely FN (Finance), IS (Infrastructure), ME (Management of Education), HR (Human Resources), CN (Connectivity) and 01 dependent factor is RS (Role of State in EDUC4). Results of EFA factor analysis of variables belonging to independent factors with KMO coefficient reaching 0.741, greater than 0.5; this confirms that the EFA results of the variables belonging to the independent factors are completely suitable for exploring the structure of the scales; along with that, Barlett test with Sig coefficient less than 5%, showing that the results of EFA factor analysis of variables belonging to independent factors are completely statistically significant.

Table 5. Results of EFA analysis of variables belonging to independent factors

	Component				
	1	2	3	4	5
IF2	.858				
IF3	.810				
IF5	.782				
IF1	.772				
IF4	.767				
ME2		.857			
ME3		.793			
ME1		.785			
ME5		.778			
ME4		.708			

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FN2			.860		
FN5			.783		
FN3			.746		
FN4			.744		
FN1			.710		
HR1				.833	
HR2				.797	
HR4				.784	
HR3				.668	
HR5				.626	
CN1					.825
CN4					.808
CN2					.757
CN3					.727
CN5					.556
KMO = 0.741; Bartlett's Test of Sphericity = 2452.066; Sig. = 0.000					
Eigenvalues	4.269	2.986	2.863	2.607	2.461
Variance (%)	17.075	11.945	11.452	10.429	9.842
Cumulative (%)	17.075	29.020	40.473	50.902	60.744

Source: SPSS 20 analysis results

Besides, the results of EFA factor analysis of variables belonging to independent factors show that the breakpoint is at the 5th line with an eigenvalue of 2.461 greater than 1, this confirms that the variables included in the analysis are arranged into 5 groups of factors and the cumulative in the 5th line is 60.744%, greater than 50%; shows that the variability of the data is explained up to 60.744%. Not only that, the factor rotation results show that 25 variables belonging to the independent factors included in the analysis are specifically arranged into 05 factor groups FN (Finance), IS (Infrastructure), ME (Management of Education), HR (Human Resources), CN (Connectivity) in Table 5.

Table 6. Results of EFA analysis of variables belonging to the dependent factor

	Component
RS1	.838
RS2	.831
RS3	.585

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KMO = 0.583; Bartlett's Test of Sphericity = 101.918; Sig. = 0.000	
Eigenvalues	1.735
Cumulative (%)	57.835

Source: SPSS 20 analysis results

Along with that, the results of EFA factor analysis of variables belonging to the state role factor in EDUC4 (RS) in table 6 show that the KMO value is 0.583, greater than 0.5; This confirms the KMO value, ensuring the appropriateness of exploratory factor analysis and the meaningfulness of the data included in factor analysis. The Chi-Square statistic of the Bartlett test has a value of 101.918 with a significance level of Sig. = 0.000 is less than 0.05, this shows that the KMO test results are completely statistically significant at the 5% significance level.

The analysis of the cumulative for the dependent variables shows that the cumulative reaches a value of 57.835%, this value is at an average level, so 57.835% of the variation in the data is explained by 01 factor, measurement scales were derived and accepted. The stopping point when extracting factors at the first factor with Eigenvalues is 1.735. The factor loading coefficients of the component variables RS1, RS2, RS3 are 0.838 respectively; 0.831; 0.585 is greater than 0.5; This shows that the component variables of the entrepreneurial intention factor warrant inclusion in data analysis.

Based on the results of correlation analysis of factors in Table 7, we see that the dependent factor of entrepreneurial intention has a positive/same direction correlation with the independent factors, specifically, the Pearson correlation value of the factors CN (Connectivity), IF (Infrastructure), ME (Management of Education), FN (Finance), HR (Human Resources) with the role of the state in EDUC4 are 0.374 respectively; 0.527; 0.523; 0.546; 0.505 is greater than 0 and the coefficients Sig. of the factors are all less than 0.05. This ensures that the correlation between factors is statistically significant for the author to conduct linear regression model analysis.

Table 7. Results of Pearson correlation analysis

		Connec-tivity	Infra-structure	Manage-ment of Education	Finance	Human Re-sources	Role of State in EDUC4
Connec t-ivity	Pearson Correlation	1					
	Sig. (2-tailed)						
Infra-st ructure	Pearson Correlation	.028	1				

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	Sig. (2-tailed)	.676					
Manage-ment of Educa-tion	Pearson Correlation	.011	.096	1			
	Sig. (2-tailed)	.870	.152				
Finance	Pearson Correlation	.067	.111	.115	1		
	Sig. (2-tailed)	.319	.095	.084			
Human Re-sources	Pearson Correlation	.016	.116	.184**	.089	1	
	Sig. (2-tailed)	.817	.082	.005	.180		
Role of State in EDUC4	Pearson Correlation	.374**	.527**	.523**	.546**	.505**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	

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

Listwise N=226

Source: SPSS 20 analysis results

The results of the regression model analysis in Table 8 show that factors affecting the role of the state in EDUC4, including: CN (Connectivity), IF (Infrastructure), ME (Management of Education), FN (Finance), HR (Human Resources); that is, these variables affect RS (the role of the state in EDUC4) in the same direction. And R square is 0.923; this result shows that the model's suitability is 92.3%, or in other words, 92.3% of the variation in the state's role factor in EDUC4 is explained by 05 factors: CN (Connectivity), IF (Infrastructure), ME (Management of Education), FN (Finance), HR (Human Resources). Using the F test in ANOVA analysis of variance shows that the F value is 529.071 with a significance level of Sig. is 0.000 less than 0.05; This shows that the combination of five independent factors in the model can explain the change in the role of the state in EDUC4.

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Table 8. Results of linear regression analysis

Model	Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.	Collinearity Statistics Tolerance	Collinearity Statistics VIF
1 (Constant)	-.093	.066		-1.406	.161		
Connectivity	.165	.009	.327	17.445	.000	.995	1.005
Infrastructure	.177	.008	.397	20.953	.000	.972	1.029
Management of Education	.165	.009	.371	19.353	.000	.952	1.050
Finance	.183	.009	.406	21.374	.000	.969	1.032
Human Resources	.173	.009	.349	18.254	.000	.953	1.050

R square = 0.923; Adjusted R square = 0.921; F = 529.071 (Sig. = 0.000); Durbin Watson = 2.002
Dependent Variable: Role of State in EDUC4.
Source: SPSS 20 analysis results

Thus, the regression analysis model is implemented as follows:

$RS = \beta_0 + \beta_1 CN + \beta_2 IF + \beta_3 ME + \beta_4 FN + \beta_5 HR + \varepsilon$

The unstandardized regression equation shows the relationship between factors affecting RS (The role of the state in EDUC4) as follows:

RS = -0.93 + 0.165*CN + 0.177*IF +0.165*ME + 0.183*FN + 0.173*HR+ ε

The regression equation according to the standardized coefficient Beta shows the relationship between factors affecting RS (The role of the state in EDUC4) as follows:

RS = 0.327*CN + 0.397*IF + 0.371*ME + 0.406*FN + 0.349*HR + ε

Based on the standardized Beta coefficient, we can see that the highest level of influence on RS (The role of the state in EDUC4) is the Finance factor (FN has Beta = 0.406; influence in the same direction), when the Finance factor is better (increased by 1 unit), the role of the state in EDUC4

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increases to 0.406 units. Next, the Infrastructure factor (IF has Beta = 0.397; same direction effect), when the infrastructure factor is better (increased by 1 unit), the role of the state in EDUC4 increases to 0.397 units. Management of Education factor (ME has Beta = 0.371; influence in the same direction), when the Management of Education factor (increases by 1 unit), the role of the state in EDUC4 increases by 0.371 units. Human Resources factor (HR has Beta = 0.349; influence in the same direction), when the Human Resources factor is better (increased by 1 unit), the role of the state in EDUC4 increases to 0.349 units. Finally, there is the Connectivity factor (CN has Beta = 0.327; influence in the same direction). When the Connectivity factor is better (increased by 1 unit), the role of the state in EDUC4 increases by 0.327 units.

Along with that, the results show that the VIF coefficient of the factors CN (Connectivity), IF (Infrastructure), ME (Management of Education), FN (Finance), HR (Human Resources) are 1.005 respectively; 1,029; 1,050; 1,032; 1,050 is within the allowable level (less than 2), showing that the model does not suffer from multicollinearity. And the value d (Durbin Watson) = 2.02 is in the acceptance range (from 1.5 to 2.5), meaning the model does not have autocorrelation at lag 1.

CONCLUSION

This study focuses on clarifying the factors affecting the role of the state in EDUC4 in Vietnam today. Thereby, the author has presented relevant foundational theories. Based on the results of previous studies, the author has synthesized measurement scales and proposed a research model, and used SPSS 20 statistical software to conduct qualitative research, adjust scales and model to suit the real context.

The results of the study show the factors affecting the role of the state in EDUC4 in Vietnam today, including: (1) Connectivity, (2) Infrastructure, (3) Management of Education, (4) Finance, (5) Human Resources.

Based on the results of the research model, the author proposes the following recommendations to promote the role of the state in EDUC4:

Finance: The State needs to prioritize increasing budget for digital transformation projects in education, especially in difficult areas such as remote areas. This includes financial support so schools can purchase technology equipment and ensure online learning conditions. In addition, seek and take advantage of capital sources from international organizations and development funds to supplement finance for digital transformation projects, ensuring abundant and sustainable financial resources.

Infrastructure: develop technology infrastructure, invest heavily in internet networks and information technology infrastructure, especially in mountainous and remote areas to ensure every student

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All students can access online education effectively; Establishing high-quality digital learning data centers, providing diverse and accurate learning materials, ensuring easy access for teachers and students.

Public-private cooperation: Encourage technology businesses to participate in educational projects through tax incentive policies and other support mechanisms. Develop a public-private partnership model in developing educational software, providing technological equipment and building digital learning material content; Organize forums and seminars to connect stakeholders, thereby creating practical initiatives and solutions for digital transformation in education.

Management of Education: improve management capacity, increase training and fostering digital skills for educational management staff, ensuring they have enough capacity to implement and monitor transformation projects. change number. At the same time, complete the legal framework, update and complete legal regulations related to online education, intellectual property rights protection, information security and regulations on testing and recognition of online learning results.

Human resources: Implement in-depth training programs on digital skills and use of technology in teaching for teachers; Support teachers in accessing online materials and courses to improve their qualifications. Focus on attractive remuneration policies to attract highly qualified human resources in the fields of information technology and education. Create a friendly working environment and professional development opportunities for teachers and administrators.

The above recommendations aim to enhance the role of the state in promoting digital transformation of education, ensuring efficiency and equity, helping Vietnam catch up with the 4.0 education trend in the world.

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PROMOTION OF A HEALTHY WORK CULTURE IS THE KEY IN LEADING TO UP-GRADATION OF THE OVERALL STRUCTURE OF THE ORGANIZATIONS

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Abstract

All the members of the organization, irrespective of their job positions in the hierarchy aim to lead to do well in their job duties, achieve organizational goals and lead to up-gradation of the overall structure of the organizations. In order to focus on these factors, the members need to put emphasis on promotion of a healthy work culture. The employers and supervisors are vested with the authority and responsibility of communicating the factors to the employees that are necessary in promoting a healthy work culture. The employees are required to acquire an efficient understanding in terms of them and put them into operation. In this manner, they are rendering an important contribution in not only carrying out job duties in accordance to the expectations of the employers, but also in promoting a healthy work culture. The members of the organization feel comfortable within the working environment and are able to concentrate well on their job duties, when the work culture will be healthy. One of the important factors that need to be taken into account is, equal rights and opportunities need to be provided to all the members. Furthermore, it needs to be ensured, there should not be any discrimination on the basis of any of the factors. Therefore, it can be stated, promotion of a healthy work culture is the key in leading to up-gradation of the overall structure of the organizations. The main concepts that are taken into account in this research paper are, understanding the meaning and significance of a healthy work culture, approaches to promote a healthy work culture and benefits of a healthy work culture.

Keywords: Enhancement, Goals, Healthy Work Culture, Job Duties, Members, Objectives, Organizations

In all types of organizations, there are goals and objectives to achieve. Furthermore, the members of the organization, irrespective of their job positions in the hierarchy aim to lead to up-gradation of the overall structure of the organizations. For this purpose, it is necessary to promote a healthy work culture. The employees need to be informative in terms of ways of promoting a healthy work culture (Work Culture, 2021). Positivity needs to be implemented in these ways. They need to communicate with each other in an effective manner. Communication takes place in a verbal and in a written form. The individuals need to make use of polite language and decent words within the course of putting into operation effective communication processes. Furthermore, they need to make provision of factual information. The effective communication processes render an indispensable contribution in promotion of

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a healthy work culture. Therefore, in order to reinforce a healthy work culture and lead to overall functioning of the organization in an efficacious manner, it is of utmost significance to hone communication skills.

The members are different from each other on the basis of number of factors, i.e. caste, creed, race, religion, ethnicity, gender, age, personality traits, educational qualifications, cultures and socio-economic background. The individuals in leadership positions ensure they make provision of equal rights and opportunities to all. Furthermore, there should be formulation of anti-discrimination laws. All the members develop motivation towards the implementation of job duties, when there are equal rights and opportunities and formulation of anti-discrimination laws (6 Key Elements of a Healthy Culture, 2019). The members need to understand that to do well in their jobs, achieve organizational goals and enhance the overall structure, they need to work in co-ordination and integration with each other. Furthermore, they need to form positive viewpoints in terms of various factors and individuals. When they need to augment their information in terms of various aspects or provide solutions to the problems, they need to form positive viewpoints. Therefore, providing equal rights and opportunities and forming positive viewpoints in terms of various factors and individuals are vital approaches to promote a healthy work culture.

The members need to be informative in terms of job duties and responsibilities. They get engaged in employment opportunities with the main aim of implementing these in an effective manner. When they are informative, they will put in efforts to their best abilities to carry them out. The assignments and projects are worked on an individual basis as well as in groups. Hence, the members need to form cordial and sociable terms and relationships with each other. Furthermore, with the advent of technologies they need to make use of modern, scientific and innovative methods within the course of implementation of job duties. When the members are well-equipped in terms of these methods, they will carry out their job duties in an efficient manner. In the training programs, the workforce is imparted information in terms of these methods. They need to understand and put them into practice throughout their jobs. In some cases, they are hard, but getting engaged in regular practice will enable the individuals to be well-versed with their usage. Therefore, in all types of organizations, being informative in terms of job duties and responsibilities and utilizing modern, scientific and innovative methods are regarded as significant approaches to promote a healthy work culture.

Understanding the Meaning and Significance of a Healthy Work Culture

In all types of organizations, there are various goals and objectives, which the members aspire to achieve. Furthermore, the members of the organization, irrespective of their job positions in the hierarchy aspire to lead to up-gradation of the overall structure of the organizations. For this purpose, it is necessary to promote a healthy work culture. Work culture is a comprehensive term, which takes into account number of aspects, i.e. implementation of job duties and responsibilities; utilization of approaches, methods and procedures; management of human, financial, material and technical resources; laws and rules; projects and assignments; infrastructure, amenities and facilities; training and development

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programs; seminars and workshops; teamwork; modern, technical, scientific and innovative methods and overall structure of the organizations. All the members need to work in co-ordination and integration with each other in promoting a healthy work culture. When there are occurrence of various types of problems and challenges, these need to be solved and prevented from assuming a major form. Therefore, meaning and significance of a healthy work culture is understood by all the members, employed within the organizations.

Human resources are regarded as the assets of the organizations. They need to make use of their educational qualifications, competencies and abilities to enhance work culture. When they get recruited within the organizations, they are required to get enrolled in training programs. In these programs, they are imparted with information in terms of various aspects of the organizations, i.e. history, personnel, departments, job duties and responsibilities, organizational goals and objectives, methods and procedures, laws and rules, infrastructure, amenities and facilities, modern, technical, scientific and innovative methods and overall structure of the organizations. Furthermore, they are imparted with information in terms of methods to enhance work culture. In other words, the conduct of the members should be such that would facilitate the enhancement of work culture. Importance of healthy work culture is acknowledged, as it will enable the members to do well in their job duties, form positive viewpoints in terms of various aspects of the organization and other members, achieve organizational goals and lead to enhancement of the overall structure of the organizations. Therefore, meaning and significance of a healthy work culture is understood, when it proves to be favourable to the members as well as the overall organizational structure.

All the members of the organization, irrespective of their job positions in the hierarchy need to be well-equipped in terms of various aspects. These are, differentiating between appropriate and inappropriate; forming constructive viewpoints in terms of various aspects and individuals; coping with problems in a well-ordered manner; promoting a normal mind-set; carrying out job duties meticulously and conscientiously; focusing on promoting well-being and goodwill of others; being informative in terms of job duties and responsibilities; generating information in terms of methods and procedures; utilizing pioneering methods in the implementation of tasks and functions; depicting the traits of honesty and truthfulness; reinforcing the traits of helpfulness and co-operation; implementing analytical, critical thinking and problem-solving skills and augmenting knowledge, skills and abilities. Furthermore, enrichment of work culture will take place through reinforcement of these aspects. Therefore, meaning and significance of a healthy work culture is understood through implementing all the above stated aspects.

Approaches to Promote a Healthy Work Culture

In all types of organizations, production, manufacturing, services, financial institutions, educational institutions and so forth, the members need to put into practice the approaches to promote a healthy work culture. Within the course of implementation of these approaches, it needs to be ensured, they prove to be favourable to the members and the overall structure of the organizations. These approaches are to be put

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into operation throughout the functioning of the organizations (How and Why Does a Healthy Work Culture Matter? 2021). Within the course of time, it is necessary to bring about improvements in these approaches. Constructivism needs to be reinforced in these approaches. Furthermore, it needs to be ensured, they lead to incurring of the feeling of job satisfaction and increase in the retention rate among the workforce. The individuals need to be informative in terms of meaning and significance of work culture. After they have augmented their information, they need to ensure, work culture gets promoted in an effective manner. Approaches to promote a healthy work culture are stated as follows:

Implementation of Effective Communication Processes

The members of the organization need to communicate with each other in an effective manner. The communication processes are the key to do well in one's jobs, achieve desired goals and bring about improvements in various aspects of the organization. Communication takes place in a verbal and in a written form. Verbal communication takes place face to face or through technologies. Whereas, written communication takes place through emails, messages, letters, notices etc. The individuals need to make use of polite language and decent words within the course of putting into operation effective communication processes. Furthermore, they need to make provision of factual information. The effective communication processes render an indispensable contribution in promotion of a healthy work culture. Hence, in order to reinforce a healthy work culture and lead to overall functioning of the organization in an appropriate manner, it is of utmost significance to hone communication skills. Therefore, implementation of effective communication processes is regarded as one of the indispensable approaches to promote a healthy work culture.

Providing Equal Rights and Opportunities

The members are different from each other on the basis of number of factors. In spite of these differences, they need to work in collaboration and integration with each other. The job duties and responsibilities are given to the workforce on the basis of their educational qualifications, skills and abilities. But equal rights and opportunities should be provided to them. Furthermore, they should be treated with respect and courtesy. The members of the organization are aware that there will be differences among them on the basis of demographic factors, educational qualifications, personality traits and socio-economic backgrounds. The individuals in leadership positions ensure they make provision of equal rights and opportunities to all. Furthermore, there should be formulation of anti-discrimination laws. When they are treated equally, all the members develop motivation towards the implementation of job duties. When there are equal rights and opportunities, the members will contribute significantly in reinforcing organizational culture. Therefore, providing equal rights and opportunities is one of the significant approaches to promote a healthy work culture.

Formulating Laws and Rules

In order to promote a healthy work culture, there should be formulation of laws and rules. These

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need to be abided by all the members to generate the desired outcomes. The individuals in leadership positions are vested with the authority and responsibility of formulating laws and rules. These are related to implementation of job duties and responsibilities; utilization of various types of strategies, methods and procedures; work timings; lunch breaks; anti-discrimination laws; laws against the prevalence of criminal and violent acts; management of resources; organization of training and development programs; giving of rewards and incentives; utilization of various types of technologies; implementation of worker's compensation programs and in carrying out the overall functioning of the organization in a satisfactory manner. Within the course of time, the members need to bring about changes in laws and rules. When changes are brought about, it needs to be ensured, they prove to be advantageous to the members and the overall structure of the organizations. Therefore, formulating laws and rules is a vital approach to promote a healthy work culture.

Forming Positive Viewpoints in terms of various Factors and Individuals

The members need to understand that to do well in their jobs, achieve organizational goals and enhance the overall structure of the organizations, they need to work in co-ordination and integration with each other. Hence, they need to form positive viewpoints regarding each other. Furthermore, they need to form positive viewpoints in terms of various factors as well. These are, job duties, responsibilities, methods, procedures, strategies, infrastructure, amenities, facilities and the overall environmental conditions. When the members are wholeheartedly dedicated towards the implementation of job duties and achievement of goals, they will have to form positive viewpoints in terms of various factors of the organization. When they need to augment their information in terms of various aspects or provide solutions to the problems, they need to interact with others. Formation of positive viewpoints will facilitate interaction in an appropriate manner. As a consequence, they will promote a healthy work culture and develop motivation towards the implementation of job duties. Therefore, forming positive viewpoints in terms of various factors and individuals is a crucial approach to promote a healthy work culture.

Being Informative in terms of Job Duties and Responsibilities

The members need to be informative in terms of job duties and responsibilities. In some cases, the job duties are manageable, whereas, in other cases, they are complicated. When they are difficult, the members need to put in efforts to their best abilities to carry them out. The individuals get engaged in employment opportunities with the main aim of implementing their job duties and responsibilities in an effective manner. The workforce makes sure that they meet the expectations of their supervisors and employers in a satisfactory manner. When the job duties and responsibilities will be carried out in an efficient manner, the members will incur the feelings of pleasure and contentment. Furthermore, they will reinforce a healthy work culture. When they are informative, they will put in efforts to their best abilities to carry them out. The assignments and projects are worked on an individual basis as well as in groups. Hence, the members need to form cordial and sociable terms and relationships with each other. Therefore,

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being informative in terms of job duties and responsibilities is an eminent approach to promote a healthy work culture.

Utilizing Modern, Scientific and Innovative Methods

In the present existence, with advancements taking place, with the advent of technologies, the individuals need to make use of modern, scientific and innovative methods in the implementation of job duties. When the members are well-equipped in terms of these methods, they will carry out their job duties in an efficient manner. In the training programs, the workforce is imparted information in terms of these methods. Within the course of implementation of their job duties, when they are to hone their skills in terms of these methods, they get enrolled in training programs. The workforce needs to understand and put them into practice throughout their jobs. In some cases, they are hard, but getting engaged in regular practice will enable the individuals to be well-versed with their usage. The individuals make use of them on their own as well as through working in co-ordination with others. Support and assistance is obtained from others, when there are occurrence of any problems. Furthermore, work culture will be enhanced. Therefore, utilizing modern, scientific and innovative methods is a meaningful approach to promote a healthy work culture.

Encouraging Employee Engagement

The individuals in leadership positions need to encourage employee engagement. The job duties and functions are put into operation by the employees on an individual basis as well as in groups. When they are assigned projects by their supervisors, which need to be worked on in groups, this is one of the significant ways of encouraging employee engagement. When the employees get engaged with each other, they are able to benefit in number of ways, i.e. generating information in terms of various types of methods and approaches; obtaining help from others in the implementation of job duties in an efficacious manner; alleviating work pressure; developing motivation towards the implementation of job duties; generating information in terms of each other's cultures and backgrounds; obtaining guidance from team leaders; coping with problems in a well-ordered manner; putting in efforts to one's best abilities; forming sociable terms and relationships with others; putting emphasis on generating the desired outcomes and augmenting knowledge, competencies and abilities. Encouraging employee engagement renders an important contribution in honing work culture. Therefore, encouraging employee engagement is a noteworthy approach to promote a healthy work culture.

Rewarding Employees for Job Performance

When the employees put into operation the job duties in accordance to the expectations of their supervisors, they need to be rewarded. The various types of rewards that are given to the employees are, trophies, certificates, reimbursements, incentives, increase in pay, additional job duties to enhance one's career prospects, paid leaves, paid vacations, promotional opportunities and so forth. When the employees get rewarded, their mind-sets get stimulated and they develop motivation towards their job duties (12

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Signs of a Healthy Work Culture, 2019). When job duties are carried out well, the employees get appreciated by their supervisors and employers. When they contribute in pleasing their supervisors and employers, they will incur the feeling of job satisfaction. Furthermore, there will be enhancement of work culture. The reason being, when the hard work of the employees is appreciated and acknowledged, they will put in efforts to their best abilities to lead to up-gradation of work culture. Therefore, rewarding employees for job performance is an approach to promote a healthy work culture, which has been acknowledged by all the members on a comprehensive basis.

Implementing Peaceful Conflict Resolution Methods

The employees need to be respectful to their supervisors and employers and vice-versa. But in some cases, there are occurrence of conflicting situations among individuals. These usually takes place among colleagues. The conflicts may give rise to impediments within the course of implementation of job duties and achievement of desired goals. Hence, the members need to be informative in terms of peaceful conflict resolution methods. Within the course of implementation of these methods, the members need to take into account various factors, i.e. implementation of effective communication processes; augmenting listening skills; providing equal rights and opportunities to all the members; forming positive viewpoints in terms of various factors and individuals; being informative in terms of job duties and responsibilities; utilizing modern, scientific and innovative methods; depicting the traits of honesty and truthfulness; reinforcing the traits of helpfulness and co-operation; implementing time management skills and augmenting knowledge, competencies and abilities. Furthermore, enhancement of work culture will take place through reinforcement of these factors. Therefore, implementing peaceful conflict resolution methods is a favourable approach to promote a healthy work culture.

Inculcating the Traits of Morality and Ethics

All the members of the organization, irrespective of their job positions in the hierarchy need to inculcate the traits of morality and ethics. These traits are regarded to be of utmost significance within the course of implementation of job duties, achievement of organizational goals and leading to up-gradation of the overall structure of the organizations. These traits enable the members to implement various aspects, i.e. differentiating between appropriate and inappropriate; forming constructive viewpoints in terms of various aspects and individuals; carrying out job duties diligently and conscientiously; focusing on promoting well-being and goodwill of others; being informative in terms of job duties and responsibilities; utilizing pioneering methods in the implementation of tasks and functions; depicting the traits of honesty and truthfulness; reinforcing the traits of helpfulness and co-operation; implementing analytical, critical thinking and problem-solving skills and augmenting knowledge, competencies and abilities. Furthermore, enrichment of work culture will take place through reinforcement of these traits. Therefore, inculcating the traits of morality and ethics is an approach to promote a healthy work culture, which needs to be strengthened by all the members throughout their jobs.

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Benefits of a Healthy Work Culture

The individuals within the organizations are putting in efforts to their best abilities to do well in their job duties and generate the desired outcomes. As a consequence, healthy work culture will be reinforced. When the job duties and activities are put into operation in a well-organized manner, resources are managed well, there is adequate availability of infrastructure, amenities and facilities and members develop mutual understanding with each other, as a consequence, a healthy work culture will be reinforced (5 Steps for Creating a Healthy Work Culture, 2021). The members are required to understand that healthy work culture will prove to be beneficial to them as well as the organization as a whole. Apart from being wholeheartedly committed towards the implementation of job duties, the members need to put in efforts to enhance work culture. Furthermore, they recognize the benefits of a healthy work culture, i.e. developing motivation towards the implementation of job duties; augmenting knowledge, competencies and abilities; developing mutual understanding with others; leading to an increase in productivity and profitability; promoting well-being and goodwill and leading to up-gradation of the overall structure of the organization. These are stated as follows:

Developing Motivation towards the implementation of Job Duties

Within the organizations when the work culture is healthy, the mind-sets of the employees will get stimulated. As a consequence, they will develop motivation towards the implementation of job duties. Even when the job duties are complicated, they develop motivation among them, put in efforts to their best abilities and lead to generation of desired outcomes. Furthermore, the members pay attention towards augmenting knowledge, skills and capabilities. These are the key to do well in their jobs. The employees need to ensure, they make use of them in an effective manner to achieve the desired goals. Healthy work culture also contributes in an efficacious manner in coping with barriers. Therefore, developing motivation towards the implementation of job duties is regarded as one of the key benefits of a healthy work culture.

Augmenting Knowledge, Competencies and Abilities

Augmenting knowledge, competencies and abilities is a factor, which needs to be put into practice by the members throughout their jobs. They need to be well-versed in terms of the methods and procedures that are used in putting into operation job duties and responsibilities. Hence, they need to pay attention towards their up-gradation on regular basis. The individuals need to up-grade their knowledge, competencies and abilities in terms of modern, scientific and innovative methods. The individuals need to make use of modern, scientific and innovative methods in the implementation of job duties. When the members are well-equipped in terms of these methods, they will carry out their job duties in an efficient manner. Therefore, augmenting knowledge, competencies and abilities is one of the fundamental benefits of a healthy work culture.

Developing Mutual Understanding with Others

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The members of the organization need to develop mutual understanding with others. The development of mutual understanding is the key to achieve the desired goals. Hence, all the members of the organizations, irrespective of their job positions in the hierarchy need to recognise the significance of mutual understanding. The job duties and functions are put into operation by the employees on an individual basis as well as in groups. When they are assigned projects by their supervisors, which need to be worked on in groups, this is one of the significant ways of leading to development of mutual understanding. As the members are required to work in collaboration and integration with each other. The members need to ensure, they are not only informative in terms of methods and strategies, but they develop mutual understanding with others. This would render an important contribution in reinforcing a healthy work culture. Therefore, it can be stated, developing mutual understanding with others is a vital benefit of a healthy work culture.

Leading to an increase in Productivity and Profitability

All the members of the organization, irrespective of their job positions in the hierarchy need to understand that promotion of a healthy work culture will lead to an increase in productivity and profitability. The members will develop motivation and put in efforts to their best abilities towards implementation of job duties and achievement of desired goals. When the work culture will be healthy, the members will possess the abilities to work under stress to carry out this task in a well-organized manner. Furthermore, when they are overwhelmed by various problems and difficulties, they will provide solutions to them in an effective manner. When the workforce will be well-equipped in terms of job duties and responsibilities and measures to put them into operation, they will contribute in a significant manner in leading to an increase in productivity and profitability. As a consequence, work culture will be enhanced. Therefore, leading to an increase in productivity and profitability is a crucial benefit of a healthy work culture.

Promoting Well-Being and Goodwill

Promoting well-being and goodwill is a factor that applies to the employees, customers, and organizations as a whole. In other words, tasks and activities need to be implemented to promote well-being and goodwill of workforce, clients and the overall structure of the organizations. Promotion of a healthy work culture will enable the members to put into operation the job duties in a manner that would contribute in promoting well-being and goodwill. When the workforce will be well-equipped in term of job duties and responsibilities and measures to put them into operation, they will contribute in a significant manner in promoting well-being and goodwill. Furthermore, they will understand that healthy work culture has proven to be beneficial on a comprehensive basis. Therefore, promoting well-being and goodwill is an indispensable benefit of a healthy work culture.

Leading to Up-gradation of the overall Structure of the Organization

Leading to up-gradation of the overall structure of the organization is a factor that needs to be paid

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attention towards throughout the job duties of the employees. The job duties need to be carried out in a manner, which would facilitate in the implementation of this task. The implementation of this task is regarded as one of the primary goals of the individuals employed within organizations. When they put emphasis on promotion of a healthy work culture, they ensure they contribute significantly towards achievement of this goal. Promotion of a healthy work culture will enable the members to put into operation the job duties in a manner, which would contribute significantly in leading to up-gradation of the overall structure of the organization. One of the major causes is, the members are able to augment their knowledge and understanding in terms of various aspects. Therefore, leading to up-gradation of the overall structure of the organization is a significant benefit of a healthy work culture.

Conclusion

The members of the organization aim to do well in their jobs, achieve desired goals and lead to up-gradation of the overall structure of the organizations. Hence, it is necessary to promote a healthy work culture. Approaches to promote a healthy work culture are, implementation of effective communication processes, providing equal rights and opportunities, formulating laws and rules, forming positive viewpoints in terms of various factors and individuals, being informative in terms of job duties and responsibilities, utilizing modern, scientific and innovative methods, encouraging employee engagement, rewarding employees for job performance, implementing peaceful conflict resolution methods and inculcating the traits of morality and ethics. Benefits of a healthy work culture are, developing motivation towards the implementation of job duties; augmenting knowledge, competencies and abilities; developing mutual understanding with others; leading to an increase in productivity and profitability; promoting well-being and goodwill and leading to up-gradation of the overall structure of the organization. Finally, it can be stated, when healthy work culture will be promoted, the members will contribute significantly in achieving organizational goals and enhancing the overall structure of the organizations.

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EXPLORING THE NEXUS BETWEEN MOTIVATION LEVELS AND PERFORMANCE AMONG DAILY WAGE EMPLOYEES

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Abstract

This study examines the relationship between the level of motivation and work performance among employees on daily wages. The aim of the research is to determine how motivation influences the productivity of workers on daily wages and to identify the factors contributing to their motivation levels. The study employed a quantitative approach, utilizing a survey questionnaire to collect data from 150 employees on daily wages across various sectors of the economy. Data analysis was conducted using statistical tools such as regression analysis, correlation analysis, and descriptive statistics. The results revealed a significant positive correlation between motivation levels and work performance among employees on daily wages, indicating that higher levels of motivation lead to enhanced work performance. Furthermore, the study identified several factors influencing the motivation of daily wage workers, including job security, salary, working conditions, recognition, and job satisfaction. These findings hold important implications for both employers and policymakers. Employers should prioritize creating a conducive work environment that fosters motivation and job satisfaction among employees on daily wages, while policymakers should consider implementing policies aimed at promoting fair wages, job security, and improved working conditions for this segment of the workforce.

Keywords: Motivation, Work Performance, Daily Wages, work environment, Pakistan.

1. Introduction

Employee motivation describes how committed an employee is to his job, how engaged he feels with the company's goals and how empowered he feels in his daily work. Job motivation can be extrinsic or intrinsic, meaning an employee's motivating factors can come from internal or external source (Baard *et al.,* 2004, Zaman et al., 2016). Performances can be separated in organizational and employee performance. Employee performance is also known as job performance. However, it seems that job performance is mostly subjectively measured in organizations and it will appear that there are few

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alternative options (Rabby 2001, Qayyum et al., 2019). According to Andrew (2004), intangible or psychological rewards like appreciation and recognition plays a vital role in motivating employee and increasing performance.

According to Rachmawati (2008), wages become the most important reason why people work among other reasons, such as for achievement, affiliation with others, develop themselves, or to actualize themselves. At least 90 percent of conflict between workers and employers due to wage issues, not others. It became evident that the wage is an important aspect. According to Sumarsono (2003) issues that could arise in the areas of wages is that employers and workers in general have a different understanding and interest on wages.

Motivation is important in the organization to boost morale among employees in order to achieve their goals. Motivated employees help the organization to become more success because motivated employees are consistently looking forward to improve their work performance (Ali & Ahmed, 2009, Qayyum et al., 2023). Motivation is something that moves the person to action and continues him the cause of action already initiated. Motivation has the role to develop and intensify the desire of every member of the organization to work effectively and efficiently in his position. Even though money occupies a major place in the mix of motivators, money alone cannot motivate employee well to work unless it is coupled with other non-monetary (Osterloch & Frey, 2002).

The quality of employees is the important influence on performance, thus the person with high motivation level will succeed. In higher education sector, job performance becomes the most important focus of administrators and academicians where the performance level will deteriorate if the level of motivation of employee drops (Salleh *et al.,* 2011). Organizations in this dynamic globalized world are continuously trying to develop and motivate their employees to help achieve enhanced performance with various Human Resource applications and practices. Reward management system is the highly used practice for the enterprises to achieve the desired goals (Güngör, 2011). A study conducted in Pakistan indicated that employee motivation has positive relationship with organizational performance All the different variables have the positive impact on employee's motivation. They contribute positively towards the employee's motivation (Shahzad & Aziz, 2014).

Another possible thing that could turn out unmotivated employees to highly motivated employees is by paying attention to the reward system as it is believe as tools that can increase the level of work performance among employees (Cohen *et al.,* 2013,).Chaudhary and Sharma (2012) states that the employee motivation has direct effect on gainfulness and development. A highly motivated employee tries his or her best in carrying out each and every aspect of his or her duties and responsibilities. Improved job performances of the employee will increase the value to the organization itself and to the employee's productivity. In order to increase work effectiveness and performance, it is important to address a number of issues, including increasing motivation among employees, making them feel satisfied with their job and increasing their-job related well- being in general (Bogdanova & Naunivska, 2008, Jamil et al., 2024, Jamil et al., 2023).Performance of the employee is considered as what an employee

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does and what he doesn't do. Employee performance entails quality and quantity of output, presence at work, accommodative and supportive nature and timeliness of output.

According to the results of the study conducted by Shahzadi et al., (2014) on individual performance showed that performance of the individuals cannot be verified. Present study Level of Motivation and Performance among Employees Daily on Wages comes up with the aim to find out the level of motivation among employees who are working on daily wedges. The current study also helps in seeing the relationship between the motivational level and work performance among employees working on daily wedges. The present study aims to see the effect of motivation which intended to increase or decrease the employee performance and what are the positive outcomes which can be achieved by motivating the employees. It is assumed in the present study that high motivational level will increase the work performance of the employees working on daily wedges. It is also assumed that work motivation will positively influence the performance of a daily wedges employees.

The hypothesis of current study was expected to explore by collecting data from 100 male employees working on daily wedges. The data would be collected by using instruments including Motivation a work scale and Job Performance Scale.

2. Methods

2.1.Sample

A sample of about 100 males were selected from the target population, the sampling was done using stratified random sampling method, in which the population are divided into groups (in this case, designation wise and experience wise) based on factors that may influence the effect of motivation. In stratified random sampling, the strata (groups) are formed based on members' shared attributes or characteristics.

2.2.Instrument

The Motivation at Work Scale (MAWS), developed by Chen and Chang (2003) based on self-determination theory, comprises 12 items measuring various work-related behavioral regulations along the motivation continuum. Subscales including External, Interjected, Identified, and Intrinsic motivation demonstrated good reliability with Cronbach alphas ranging from .75 to .91. Validity of the MAWS was assessed through correlations with antecedents and outcomes. Job Performance, measured using a scale modified from Dubinsky and Mattson (1979) by Singh, Verbeke, and Rhoads (1996), consists of 6 items scored on a Likert-type scale. The reliability of the Job Performance Scale, assessed via Cronbach's Alpha Coefficient and item-total correlations, demonstrated strong internal consistency. Validity, crucial for accuracy and bias-free measurement, ensures the instrument's capability to detect differences in performance accurately, thus providing reliable insights into workplace dynamics.

2.3.Procedure

The detailed questionnaires were distributed among 100 respondents in Haripur city of Pakistan. Before

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giving the questionnaire, the purpose of the study and questions was explained to the respondents so that they can easily fill the questionnaire with relevant responses. A total of 100 questionnaires were selected. The respondents were assured that the information will be remained confidential and will be only used for research purpose.

3. Results

The main purpose of the present study was to examine the level of motivation and performance among employees working on daily wages. In accumulation to this gender, motivation level and age related differences between these variables were also examined. Firstly, reliabilities of the study variables were assessed. Secondly, descriptive (means, and standard deviation) were computed. Pearson Correlation was used to assess the relationships between level of motivation among employee's performance working on daily wages on JPS=Job Performance Scale and MAWS=Motivation at Work Scale Checklist of employees.

TABLE 1

Cronbach's Alpha reliabilities of JPS, MAWS among daily wages employee. (N=100).

Scale	No. of Items	M	SD	Cronbach's Alpha α
JPS	12	53.36	15.98	.884
MAWS	6	18.45	6.86	.887

Note. JPS= Job Performance Scale; MAWA= Motivation At Work Scale.

Table 1 shows the psychometric properties of JPS and MAWS. The alpha coefficient for JPS (Job Performance Scale) and MAWS (Motivation at Work Scale) is .884 and .887 respectively which indicates that these scales have good internal consistency.

Table 2

Relationship between Motivation and Job Performance in daily wages (*N=100)*

S No	Scale	1	2	M	SD
1.	JPS	-	-.693*	3.07	1.13
2.	MAWS	-.693*	-	4.44	1.33

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Note. JPS= Job Performance Scale; MAWA= Motivation At Work Scale.*p>.05*** *p<.01.

Table 2 shows relationship between motivation and job performance of employees working on daily wages. Results indicated that motivation is negatively correlated with work performance (p<.01). Employee motivation has negative relationship with employee performance (p<.0

Table 3

Relationship between Motivation and Job Performance in daily wages (*N=100)*

Unstandardized			Standardized		
Variable	*B*	*SE*	*ß*	*T*	*P*
	5.707	.289		19.767	
(Constant) MWS					.000
	-.592	.062	-.693	-9.512	.000

Note: B = unstandardized regression coefficients, β = Standardized regression coefficient

Table IV show the results of regression analysis of job performance. The result indicated that job performance is affected by motivation. the predictor variable (ß = -.693) has negative affect on outcome variable i.e. job performance. The value of ß does not support the present study hypothesis that is "Highly level of work motivation positively impacts the employee performance"

4. Discussion

The main objective of the study was to find out the Level of motivation and performance among employees on daily wages. The findings of current study show that level of motivation are negatively correlated with job performance. In the first step the reliability of the scales was ensured, and the reliability analysis confirmed that all the scales used in the current study had significant internal consistency. The values of Chang and Chen and Dubinsky and Mattson

for both scales indicate that data was normally distributed.

First Hypothesis, Level of motivation is positively correlate with work performance of employees working on daily wages. The relationship between the employer and employee must be one of understanding in order for the employee to identify himself with his work and with the business he is working for. Lack of motivation in return affects productivity. A number of symptoms may point to low morale: declining productivity, high employee turnover, increasing number of grievances, higher incidence of absenteeism and tardiness, increasing number of defective products, higher number of

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accidents or a higher level of waste materials and scrap (Rajhans, 2012). A motivated employee is a loyal employee and to be loyal implies that the employee supports the actions and objectives of the firm. The appearance of the job as a whole has, in fact a bearing on the willingness and quality of an employee's performance, Rizwan et al., (2014), an individual will be moved to action based on the desire to avoid deprivation. However, this motivation does not provide positive satisfaction because it does not provide a sense of growth. (Quick, 2005, Jamil & Qayyum, 2023).

Second Hypotheses, Motivation has direct positive effect on employee performance. Michie, Oughton, & Bennion, (2002), identified that greater motivation will have a direct effect in improving productivity through greater effort and possibly innovation. They also stated that motivation leads to a productive with high performance employee who does the best at work, saves time and effort and also volunteers to do more than what is required.

"If employees are motivated and happy they will do to the work to the best of their ability instead of just doing it because they have to" (Ryan, & Deci, 2000, Mazhar et al., 2024). Most researchers agreed that in order to motivate employees and get the desired outcome from them, we need leaderships, not managers. So, being a leader instead of a manager is more important for motivation (Yongsun, Barbara, and Christy, 2002).

Third hypothesis, highly level of work motivation positively impacts the employee performance. Ayn Rand (2001) have been very vocal against coercion. Successful coercion sometimes can take priority over other types of motivation. Self-coercion is rarely substantially negative (typically only negative in the sense that it avoids a positive, such as undergoing an expensive dinner or a period of relaxation), however it is interesting in that it illustrates how lower levels of motivation may be sometimes tweaked to satisfy higher ones. Robert (2005) reported that the manager job is to ensure the work done through employees is Possible, if the employees are self-motivated towards work rather directed. The manager's involvement is so much important in the motivation of employees. The employees should motivate themselves to work hard. In his work, Akintoye (2000) emphasize that money remains the most important motivational strategy. As far back as 1911, Frederick Taylor and his scientific management associate described money as the most important factor in motivating the industrial workers to achieve greater productivity. Taylor viewed compensation and performance based pay as one of the major tools management had at its disposal to motivate employees and to increase their productivity and reduce turnover (Ferris et al., 2004).

4.1.Recommendation

Additional research should be carried out to gain a continuous view, insight and knowledge of what motivates employees to perform best on their job. Employee motivation evens after some 50years of research continue to be one of the problems and challenges facing organizations today. Furthermore, factors such as technological advances, globalization, retrenchments etc. leave employees with an uncertain future this is because most organizations today do not guarantee life employment's for their employees as it was the case before. Therefore, there is the need for researchers to continue carrying out

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employee surveys so as to determine what motivates employees to go extra miles and thus put in 110% in their work. The outcomes of such surveys will help organizations be at par with changes in employee's preferences. The outcome of this research shows that Growth rather than Deficient factors are valued more by today's employees. Therefore, it would be interesting if further research with a much larger sample size could be undertaken to confirm either fully or partly the findings of this study.

4.2.Limitations

Due to the limitation of time, this research study has not very vast variety of respondents: First of all, this study was conducted on a relatively small sample including the Haripur city. Due to the small sample size there has been low external validity and due to which there is less generalization. Time was also very limited for this research study which may effect this study finding.

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A DATAMETRIC ANALYSIS OF THE HUMAN OCCUPATIONAL HEALTH AND SAFETY (OHS) MANAGERIAL CONCERNS OF BEACONSFIELD MINE VIA AN INVESTMENT CORRELATION OF CAPITAL ASSET PRICING, PORTFOLIO RETURNS AND RISK PERFORMANCE RATIOS

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Abstract
The report discusses the case study subject of "The Beaconsfield Mine" adapted from De Ceiri (2008) and its occupational health and safety (OHS) management aspect. It is noted that the organization sees this as a secondary concern when the perspective of operating costs of business are highlighted by the owners and senior management. The technical paper will elaborate how such an approach may have serious adverse consequences and will explain the lessons HR managers can learn. In view of the case, a discussion underpinning a strategic approach to human resources management (HRM) will be conducted. The intent of this paper is to posit that the strategic approach of HRM investment in OHS can reduce mining accidents.

Readings from the case study literature has been done and datametric analysis can be made to conclude that OHS management is important where costs involving OHS is primary and not secondary. These findings are also supported by secondary research involving research done on databases through the examination of the concepts of capital assets pricing, portfolio returns and risk. It will address two capital asset portfolios that will demonstrate that risk can be reduced to zero with perfect negative relaton.It will also explain why this is not necessarily convincing explanation for effects. It will also discuss the reason why there is little or no porfolio effect with positive relations. We will also see how this correlation of capital assets are applied to the performance ratios.

Keywords: Occupational Health & Safety Management, Media Fragmentation, Stakeholder Empowerment, OHS Safety Culture, Human Capital Strategies, Reward Safety Programme, Capital Asset Pricing Model, Portfolio Performance, Portfolio Securities, Risk Returns, Risk Performance Ratios, Securities Diversification, Positive Correlation, Negative Correlation, Close to Zero Investment, Profitablly Ratio, Liquidity Ratio, Activity Ratio, Coverage Analysis

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Introduction to Consequences of OHS being a Secondary Concern

I would like to highlight that In any organization conducting high risk activities such as mining, there are always negative effects if such occupational health and safety concerns are secondary. The possibilities that negative consequences can arise due to a lack of OHS observation include accidents, confusion and little confidence with companies, deteriorating performance and little accountability, depreciation in share value of companies as well as becoming self-deluded and self-prescriptive without further investigation or research into this function. Because Beaconsfield mining company had no one who understood OHS safety, when OHS related risks occur, it threatens to have an impact on creating accidents in the workplaces It is not in effect the diseases by itself that contributes to occupational accidents, but the workplace environment preceding the manifestation of the diseases. According to (Yılmaz, 2009; 55), the most prominent ones of these risks leading to the occupational illnesses are especially muscular and skeleton diseases.

In Beaconsfield mine, there is little concern for health and safety aspects since the management sees this as a secondary concern. They perceive little for investment in this area since there are no workers trained in safety. When there is a lack of training, there is obviously a lack in proper procedures and communication. Meetings and miner participation for such avoidance of danger was also lacking. The resulting impacts for neglecting these aspects usually lead to a deteriorating performance. In the case quoted, accidents leading to death usually occurs in the mining area without adhering to OHS regulations. Death of workers would mean a full investigation with bans for 6 months to a year of operations. Accountability from the directors is required, and punishment will be meted out through fine or jail sentences. Carmichael (1986) elaborates this:

Any failures to adhere to OHS issues can result in shareholder implications. In one instance, for example, Fry and Lee (1989) show that US listed firm value decreases around the date that Occupational Safety and Health Administration (OSHA) sanctions are reported in the *Wall Street Journal*. They find that the decrease in value is considerably larger than the direct cost arising from the OSHA sanctions. Thus, organizational value drops when authorities act. However, although the intention of safety regulation is good, it is arguable that no amount of OHS can prevent diseases or accidents from resulting, leading to disastrous costs. However, a lack of it is definitely not a good mitigating factor.

In Beaconsfield's case, the official regulator for safety standards is the Workplace Standards of Tasmania, Australia. Where the mining accident occurred, there needs to be higher levels of scrutiny standards. However, such regulations are usually self-prescriptive, i.e., the regulations have to be ensured by the mining companies themselves. All organizations are noted to reduce costs without doing more investigation in OHS. For instance, there is lack of investigation of the environment circumventing the mines. In the desolate areas of Australia where the mines reside, according to Eddington (2006) and

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Gratton (2007), it is possible that the appropriate authorities (government, OH & S consultants) have not gone to the sites to conduct in-depth physical inspections in order to make incisive recommendations because these personnel believed the areas of operation were too primitive. They mention a prevalence of infectious diseases in the region or because there were long distances to travel. This explains a lack of responsibility toward OHS and the organizations'employees.

Lessons to be Learnt

There are much lessons to be learnt from the mining incident at Beaconsfield.

- **Change of stakeholder empowerment from employers to employees**

Accidents are usually a result derived from human attitudes and behaviour. Accidents maybe controlled or non-controlled, but accidents can be prevented with the correct attitudes and behavior, with the employees given more power to co-create ideas to prevent accidents. Cullen, Matthews and Teske (2008) posit that, an organization may reap various benefits from the implementation of a management system that is focused on issues pertaining to workers' occupational health and safety. As an example, through augmenting worker job satisfaction, an increase in productivity may be obtained, which can imply greater efficiency and protection for the organization.

- **Complex changes in the workplaces**

From a macro perspective, urban growth in Asia accounts for 70% (De Ceiri, 2008). Some of the biggest cities in Asia are facing complex challenges in OHS simply due to the massive population of workers. Australian mining industry provide a good model of example to lead the OHS field. It must be understood that in order to lead, legislation is not sufficient. There is a requirement to enforce the development of national standards and enforcement processes, otherwise it would seem tokenistic to just allow companies to enforce these standards.

- **Media fragmentation**

The media today exposes all kinds of incidences. This may usually strengthen the collective bargaining stance from the trade unions and workers instead of companies having the final say. The mining industry today does not just function with a company running its own business. This would also augment the relations between OHS institutions, of Australia and Asia-pacific nations, facilitate the training and education, and enhancement of domestic arrangements through bills in parliament. Any form of deviation from from the OHS regulations will mean that the company will not be able to survive long under the scrutiny of the media.

- **Inadequate knowledge of human capital and OHS integration**

Adequate management of occupational health and safety would, thus, also bring a positive influence in shareholders' interest and value, and consequently in the organization's suppliers, given the opportunities

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for business. Workers are not just numbers. They are emotional beings. Consumers on the receiving end of the mining products would not relish purchasing products which are derived from casualities.

In comparison with Americans for instance, highlighting the importance of safety and work injuries to organizations and employees, the National Safety Council (2008) reported that American work injuries cost $164.7 billion in the year 2006 alone. Despite this enormous cost, Barling et al. (2002) noted that less than 1% of organizational research published in top journals has focused on workplace safety. There needs to be more investigative studies in this area for some other nations. It certainly maybe the result of having a different OHS culture and climate in different nations.

Using a Capital Financial Model

In interpreting OHS systems to be beneficial to Beaconsfield, I have used the financial modelling theory of the capital asset pricing model (CAPM) to determine a theoretically appropriate required rate of return of an asset, if that asset is to be added to an already well-diversified portfolio, given that asset's non-diversifiable risk (Fama, Eugene and French, 1972). The model takes into account the asset's sensitivity to non-diversifiable risk (also known as systematic risk or market risk), often represented by the quantity beta (β) in the financial industry, as well as the expected return of the market and the expected return of a theoretical risk-free asset.

The risk of a portfolio comprises systematic risk, also known as undiversifiable risk, and unsystematic risk which is also known as idiosyncratic risk or diversifiable risk. Systematic risk refers to the risk common to all securities - i.e. market risk. Unsystematic risk is the risk associated with individual assets (Black, Fischer, Jensen and Scholes, 1972). Unsystematic risk can be diversified away to smaller levels by including a greater number of assets in the portfolio (specific risks "average out"). The same is not possible for systematic risk within one market.

Correlation Implications of Two Asset Portfolios

In finance, the correlation between two portfolio securities is a statistical measure of the relationship between the price movements of the two portfolio securities. This relationship, which is expressed by what is known as the correlation coefficient, is represented by a value within the range of -1.00 to +1.00. A correlation coefficient of +1.00 indicates that two securities move in the same direction at all times. If security A gains in value, we would expect security B to gain as well. A correlation coefficient of 0 indicates that the price movements are totally random. A gain by security A provides no insight into the expected movement of security B. A correlation coefficient of -1.00 indicates that two securities move in the opposite direction at all times. If security A gains. in value, we would expect security B to decline in value.

A rational investor should not take on any diversifiable risk, as only non-diversifiable risks are rewarded

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within the scope of this model. Therefore, the required return on an asset, that is, the return that compensates for risk taken, must be linked to its riskiness in a portfolio securities context - i.e. its contribution to overall portfolio securities riskiness - as opposed to its "stand alone riskiness." In the CAPM context, portfolio securities risk is represented by higher variance i.e. less predictability. In other words the beta of the portfolio securities is the defining factor in rewarding the systematic exposure taken by an investor (French, 2003). Most investors do not hold stocks in isolation. Instead, they choose to hold a portfolio of several stocks. When this is the case, a portion of an individual stock's risk can be eliminated, i.e., diversified away. (Lintner, 1965).

Let us now assume investments can be combined into a two-asset portfolio. The risk-return relationship will now be measured in terms of the portfolios expected return and the portfolios standard deviation. The following tables give information about four investments: A plc, B plc, C plc and D plc. Assume that a two-asset portfolio and that has already decided to invest 50% of the funds in A plc. He his currently trying to decide which one of the other three investments he will invest the remaining 50% of his funds.

Perfect Negative Correlation

Portfolio A + C {perfect negative correlation}

The returns of A and C move in equal but opposite ways (when the return on A goes up to 30%, the return on C goes down to 10%, when the return on A goes down to 10%, the return on C goes up to 30%). But the returns in the portfolio A+C together will ensure a standard deviation of zeroyou are guaranteed $20, no matter what. Even though the two individual investments are risky, there is absolutely no risk and no fluctuations associated with the diversified portfolio. However, this is not the case if the two stock prices are related in a different manner

Close To Zero Investment

The zero-investment portfolio is a financial portfolio that is composed completely or mainly by securities that cumulatively result in a net value of zero. In some instances, some portfolios are considered to be zero-investment portfolios when the resulting net value is almost zero. Generally, an investor will attempt to achieve a zero-investment portfolio for reasons relating to the rules of arbitrage. The result of this zero net value will be little to no interest income that is subject to taxes, a high degree of financial safety for the investor, and the potential to consider riskier investments at a later date. The most diversified portfolio consists of securities with the greatest negative correlation. However, a negative coefficient indicates a negative association. There is no risk but no returns. A greater-than-expected outcome for one variable is likely to be associated with a smaller-than-expected outcome for the other while a smaller-than- expected outcome for one is likely to be associated with a greater-than-expected outcome for the other. In reality the correlation coefficient between returns on investments tends to lie between 0 and +1. It is the norm in a two-asset portfolio to achieve a partial reduction of risk Therefore we will need a new formula to

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calculate the risk (standard deviation of returns) on a two-asset portfolio. The formula will obviously take into account the risk (standard deviation of returns) of both investments but will also need to incorporate a measure of covariability as this influences the level of risk reduction. Thus in the formula one can see there is a difference of 0.12%

Portfolios Return on investments (%)

Market Conditions	Probability	A plc	B plc	C plc	D plc
Boom	0.1	30	30	10	11.06
Normal	0.8	20	20	20	22.24
Recession	0.1	10	10	30	11.06
Expected Return		20	20	20	20
Standard Deviation		4.47	4.47	4.47	4.47

The expected return of a portfolio (R port) is simply a weighted average of the expected returns of the individual investments.

Perfect Positive Correlation

Portfolio A + B {perfect positive correlation}

In the next example, suppose that Alpha and Beta's stock prices always move together. That is, if everything is normal, both stock prices rise to a certain amount. If everything is below normal, both prices remain at $1. The total returns from the different investment options would look something like this:

Unlike scenario one, the diversified portfolio in this case is no less risky than either of the two individual investment possibilities. The problem is that the stock prices of the two companies are perfectly positively correlated. A perfect positive correlation means that the value of two assets moves in the same direction, by the same percentage, at the same time. It must be known that risk reduction cannot be achieved through diversification if the returns on two or more assets are perfectly positively correlated. However, diversification provides benefit if the returns are not perfectly positively correlated.

Critical Examples of Risk Performance Ratios

A company based on risk analysis and assessment performed highlighting the strengths and weaknesses of each risk performance ratio as well as the risk returns

- Profitability ratio

The gross profit margin looks at net income over net sales. The larger the gross profit margin, the better for the company. There has only been a marginal increase of income $1700 (0.01%) from 2006 to 2007. Net sales dropped by $8200, which requires more understanding why this had happened. Could net sales

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in 2007 be due to cheaper bulk sales per unit, which led to the wide increase? Or simply more distributors with higher operating costs? However this does not take into account long term health in terms of assets. In return of assets, the higher the percentage, the better, because that means the company is doing a good job using its assets to generate sales and earning adequate income. In year 2006 and the preceding 2005, there had been a great jump from $135,695 to $61,572, but in year 2007, this was $138014, which meant asset possessed had declined and generated less income due to more selling of business units. Although only marginal, between 2006 and 2007, one must inquire the huge difference between 2005 and 2006. This show a huge reliance on assets to generate income rather than on pure retail sales.

Gross margin = Net income / Net sales
2007 - Gross margin = $10,340 / $76,476 = 0.14
2006 - Gross margin= $ 8,684 / $ 68,222 = 0.13
Return on assets = Net income / Average total assets
2007 - Return on assets = $10,340 / [($138,014 + $135,695) / 2] = 0.08
2006 - Return on assets = $ 8,684 / [$ (135,695 + $61,572) / 2] = 0.09

The overall risk returns are higher due to high volatile of sales and income in the later years

- Liquidity ratio

This means that the firm can meet its current (short-term) debt obligations 0.78 times over in 2007. In order to stay solvent, the firm must have a current ratio of at least 1.0 X, which means it can exactly met its current debt obligations. It did achieve this in 2006, so, this firm was then solvent. In 2007 P&G has a bit of current debt obligations with a 30% increase in liability, and may face credit risks or even expropriation of assets in order to meet this liability. Low liquidity can be seen here. However, this ratio does not account for P&G's long term assets and liabilities. There could be more debtors chasing for payments, lack of payments from P&G's suppliers.

In this case, however, the firm will have to sell inventory to pay its short-term debt. If you calculate the quick ratio for 2007, you will see that it was 0.458 X. It was slightly better in 2006 at 0.68x. Short term securities in 2007 meant that there is less of such exercise options to raise funds since it is possible long term bonds could have overtaken short term securities. So, the firm improved its liquidity by 2008 which, is good since it is operating with low liquidity. It needs to improve its quick ratio to above 1.0 X so it will have to continue have to trade securities in public for more funds to meet its short-term debt obligations.

Current ratio = Current assets / Current liabilities
2007 - Current ratio = $ 24,031 / 30,717 = 0.78
2006 - Current ratio = $ 24,329 / 19,985 = 1.22
Quick ratio = cash+ marketable securities+ receivables(net) / current liabilities

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2007 - Quick ratio = ($ 5,354 + $ 202 +$ 6,629) / 30,717 = 0.40
2006 - Quick ratio = ($ 6,693+$1,133+$5,725) / 19,985 = 0.68

The overall risk returns are quite low due to volatile liabilities in the later years

- Activity ratio

The higher the total asset turnover ratio, the better. Average assets have grown from $135,695 to 138,014 between 2006 to 2007 which sowed 76476 against $61,527 from the low of 2006. The differences in sales between the 2 years is only 8200. This ratio is a better measure than the net income through average assets. It shows that the assets can generate sales through retail stores, rather than leases or rents to achieve income. Although still lower than optimum, it is good to knowing your position regarding the efficiency of using assets crucial to the success of your firm. However, one should also depend on the creative and innovative aspects.

Inventory turnover is calculated as follows: This means that you divide net sales from the income statement from the inventory figure and get a number that is a number of times. That number signifies the number of times inventory is sold and restocked each year. Little differences of 0.5% between the 2 years. If the number is high, you may be in danger of stockouts because of more reorders. More reorders may not be bad if your stocks can be sold quickly to recover investment. If restocking is slow, watch out for decline fads in the stocks eating up warehouse space.

Asset turnover = Net sales / Average total assets
2007 - Asset turnover = $76,476 / [($138,014 + $135,695) / 2] = 0.56
2006 - Asset turnover = $68,222 / {($135,695 = $ 61,527) / 2} = 0.69

Inventory turnover ratio = Net sales / Average inventory
2007 Inventory turnover ratio = $ 36,686 / [($6819 =$ 6,291) / 2] = 5.60
2006 Inventory turnover ratio = $ 33,125 / [($ 6,291 + $ 6,674) / 2] = 5.11

The overall risk returns are quite low due to poorer sales from assets like rental and high costs in the later years

- Coverage analysis

Free cash flow measures how much money a company makes after deducting capital expenditure and dividends. This allows valuation of the existing business. There is an increment of approximate $1280 from 2006 to 2007. It is healthier in 2007. Possible to benefit managers as well as shareholders if cash can be used to expand operations. But this is a poor valuation method for companies wishing to impress others or pumping up the real value also means that it will overvalue companies which are sufficiently

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badly run.

Free cash flow = Net cash provided by operating activities -capital expenditures –dividends
2007 Free cash flow = $ 13,435 - $ 2,945- $ 4,209 = 6,281
2006 Free cash flow = $ 11,375 - $ 2,667 - $ 3,703 = 5005
Debt to total assets = Total debt / Total assets
2007 Debt to total assets = $ 71,254 / $ 138,014 = 0.51
2006 Debt to total assets = $ 72,787 / 135,695 = 0.54
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Recommendations of Human Capital Strategies to OHS

OHS plays an important role. Human resources must implement long-term organizational restructuring strategies that will include OHS to reduce accidents and diseases.

- *Mine reward safety programme.*

In Beaconsfield mine incident, there should be a "mine reward for safety programme" that stresses on avoiding a participatory facade theme. This would mean asking for employee suggestions for improving workplace safety, which will only be effective if the suggestions are implemented in a timely fashion. If the ideas provided by workers are ignored or implementation is postponed, when they are eventually implemented, the workers will not be motivated to support them (Creighton 1986). This organizational restructuring strategies must include safety subculture and behavior among work teams.

The programme must be followed not just a talk and no walk session. All the important actors in the company must be aware of this programme. Anybody who flouts the regulations will be severly dealt with. And although in Beaconsfield case, the employees should suggest that there should not be intimidation through punishment, but rewards for employees who follow closely mining procedures and regulations.

- *Establishing rules and regulations.*

It is however preposterous to provide more rewards for employees as this means additional costs. But could this mean a trade-off between following regulations closely and rewarding for following regulations? It is always critical for employees especially in mining, to address, report and suggest incidents and recommendations in their fields of expertise. This is because as according to Cullen *et al* (2008), mines develop policies and procedures in response to their own unique environments that are often more stringent than federal standards. Regulations found in guides developed by authorities do not always cover everything.

- *Delivering an OHS safety culture and climate*

There needs to be a creation of a OHS safety culture and climate from the top to the bottom. It is of no use if the top management personnel support OHS in a vague manner, expressing little concern for it. This

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poses a difficult challenge to the employees as it would be difficult to identify a certain safety culture. Van Maanen and Barley (1984; 287) defines this safety culture as ‘‘occupational culture.’’ These cultures can be identified as, ‘‘a group of people who consider themselves to be engaged in the same sort of work; whose identity is drawn from the work; who share with one another a set of values, norms and perspectives’’ Once that occupational culture is set, it would be difficult to deviate from it. Behavioural practices via training is often perceived in this manner by workers, thus the strategy employed must ensure a leader that understands this bond. If there is a lack of bondship, no amount of communication and coordination will be successful. Van Maanen and Barley continues to express, “

> Danger . . . invites work involvement and a sense of fraternity . . . . Recognition that one’s work entails danger heightens the contrast between one’s own work and the work of others, and encourages comparison of self with those who share one’s work situation. Attitudes, behaviors, and self-images for coping physically and psychologically with threat become part of an occupational role appreciated best, it is thought, only by one’s fellow workers. (301)

Ground level understsanding is required from the top directors. Essentially, the directors in Beaconsfield had to be held accountable for the deaths. Putting them in jail or a mandatory death penantly need not always be the case if such an occupational culture was built in the first place. It is to no surprise that the trade union seemed more interested in the case. How can this occupational culture be built then? There is a need to integrate other components apart from the internal culture of the organization. The trade union and workplace standards of Tasmania must also be involved in order to apply pressure on the directors to implement a suitable occupational culture.

- The adoption of using close to zero coverage analysis as a strategic factor to implement OHS

The debt to total assets ratio is an indicator of financial leverage. It tells you the percentage of total assets that were financed by creditors, liabilities, debt. In this example of 2007, the debt to total assets ratio tells you that 51% of the corporation’s assets are financed by the creditors or debt and 49% financed by owners. A higher percentage indicates more leverage through creditors and debts and more risk. There was slight more debt to be financed by assets in 2006 against 2007 by 0.03%. This will mean using more creditors such as insurance cooperatives and lending companies assurance to finance other forms of non-OHS spendings. This leads to more cash outlay to invest in OHS culture and systems which companies can then cash in on reimbursement incentives from the government which will lead to an almost close to zero cash investment

- *Designing job scope*

Additionally, there must be thorough knowledge understanding about the job design scope and mining apart from following regulations. A lack of mining work standards with a mismatch with workers’

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capabilities should not be tolerated. According to Ferguson (2001), Knowledge of risk factors has a preventive function. To improve safety, one must:

- *Integrate knowledge through the practical application of information.*

The experience and knowledge sets should be applied to older workers, especially if the miners are doing part-time work. Older workers do bring in some advantages when they are slow. They tend to be more careful and awareness of safety standards. It would be redundant if such knowledge not be used during the most critical time. It is one thing to know, but another thing to do. In the Beaconsfield incident, steel meshes were not enhanced to contain the blast of the rocks. Many injuries occur because workers do not adhere to safety procedures suggested by Bennett (2003).

- *Eradicate rotten thinking*

One reason workers do not follow safety procedures is a belief that they reflect an ideal type of safety rather than real-life experience. Without workers' confidence, procedures fail to provide workers with a sense of control. Thus integrating knowledge is not just about a sense of inputing some information into the workers' mind about safety, but there is a need to actually persuade and motivate workers to use that knowledge to effective use in a chaotic environment.

- *Justification of HRM strategies employed*

The justifications for the abovementioned HRM strategical approaches are as follows:

- Increase in safety and health for workers, leading to a quality relevant company that people adore
- Long term investment in OHS from HRM perspective will reduce less costs for the company in terms of incessant legal suits.
- More employees are willing to serve the company longer, reducing costs in hiring.
- Exchanges of skills and knowledge from OHS experts will lead to other related industries, organizations and staffs to be more conscious about OHS
- OHS can be a developing industry by itself and a revenue generation tool through training for Beaconsfield.
- Prevention is always better than cure, and policies put in place can ensure that no fines will be imposed on the company.
- Having OHS culture can be a form of brand building activitiy that can enhance the stockholding value of the company.

5. Conclusion

OHS is an important aspect in every organization to ensure that workers are capable of functioning at optimum level. There is also truth that implementing and adhering to OHS can reduce mining accidents and improve the organization's overall well-being. Without the implementation and concern for OHS, this will lead to more risks in deaths and poorer performance. There are also national standards of rules and

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regulations for organizations to follow, where organization's top management will have to take note of. Lessons to be learnt will mean having to take a lead role where OHS lessons can be learnt or taught, especially so when Asia is facing the most challenges with Australia being one of the leader in OHS. The OHS restructuring strategies in the organization will be the most critical part that involve job design, rewards programme, mining regulations and procedures and safety culture and climate elements.

It is also critical to interprete OHS systems using the financial modelling theory of the capital asset pricing model to determine feasibility of implementing OHS culture and systems which are exposited through the correlation models and datametrics to close to zero which in a theoretically appropriate required rate of return on performance ratios, given that asset's non-diversifiable risk

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IMPLEMENTATION OF PEACEFUL CONFLICT RESOLUTION METHODS ARE CRUCIAL IN ACHIEVEMENT OF ORGANIZATIONAL GOALS

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Abstract

In various types of organizations, there are in some cases, occurrence of conflicts among members. The various aspects in terms of which conflicting situations takes place are, rules, policies, job duties, responsibilities, methods, procedures, strategies, infrastructure, amenities, facilities, and the overall environmental conditions. The conflicts may take place in a major or in a minor form. These may give rise to impediments within the course of implementation of job duties and achievement of organizational goals. Furthermore, these give rise to barriers within the course of formation of sociable terms and relationships with each other. All the members of the organization, irrespective of their job positions in the hierarchy need to be informative in terms of peaceful conflict resolution methods. They need to work in collaboration and integration with each other towards achieving organizational goals and leading to up-gradation of the overall structure of the organizations. The implementation of peaceful conflict resolution methods are favourable for the success of not only the organizations, but for the members as well. As a consequence, the members will incur the feeling of job satisfaction and retain their jobs. Therefore, it is well-understood, implementation of peaceful conflict resolution methods are crucial in achievement of organizational goals. The main concepts that are taken into account in this research paper are, understanding the significance of peaceful conflict resolution methods, peaceful conflict resolution methods, implementation of peaceful conflict resolution methods have proven to be advantageous in achieving organizational goals and alleviation of conflicts are vital in enhancing the career prospects of the individuals.

Keywords: Conflicts, Conflict Resolution Methods, Goals, Job Duties, Members, Organizations, Relationships

Within various types of organizations, there are occurrence of conflicting situations among individuals. These take place among colleagues as well as the superiors and the subordinates. The conflicts are usually regarded as negative. The reason being, the individuals may impede their communication terms with each other. Whereas, in other cases, these are regarded as positive. One of the main reasons is, they lead to generation of new ideas. All the members of the organization, irrespective of their job positions in the hierarchy need to be well-aware in terms of peaceful conflict resolution methods.

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There are certain methods in terms of which the individuals need to be aware (Krakoff, 2021). When there are occurrence of conflicting situations, they need to be informative in terms of peaceful methods. The individuals or groups need to communicate with each other in a decent and polite manner. Furthermore, they need to treat each other with respect and courtesy. There should be usage of respectful words within the course of putting into operation effective communication processes. Therefore, implementation of effective communication processes are the key within the course of occurrence of conflicting situations.

The individuals or groups need to listen to each other in an effective manner. In other words, they need to listen to each other in a calm and composed manner. Listening and understanding other's viewpoints and perspectives are regarded to be of utmost significance. When one person is speaking, others should maintain eye contact with him or her. When he or she is giving valid reasons or is accepting his or her mistakes, the other individuals should listen and reinforce the understanding nature. The individuals need to form positive viewpoints and not possess any negative feelings in terms of other individuals. Furthermore, they need to be considerate and thoughtful (Shonk, 2021). The individuals should think before they speak. When they are speaking with their colleagues, superiors or subordinates, they need to think before they speak. When they are providing explanation before others or are giving ideas and viewpoints, they need to think before they speak. This method would enable the individuals to speak morally and ethically. Furthermore, they make provision of factual and accurate information. Therefore, it is well-understood, reinforcement of listening skills and thinking before speaking are regarded as indispensable peaceful conflict resolution methods.

The individuals need to manage anger and prevent it from having any kinds of unfavourable effects on the implementation of tasks and activities. It is apparently understood that when there are occurrence of conflicting situations, the individuals usually feel anger. But they need to exercise control on the feeling of anger and prevent it from assuming a major form. When the individuals experience various types of problems, they do feel anger and frustration. But the individuals need to exercise control on them. The members of the organization need to be professional in their conduct. They need to cope with various types of problems and difficulties in an efficient manner. When there are occurrence of conflicts and disagreements, the individuals need to put emphasis on up-gradation of professional skills. In other words, they need to be aware that in order to carry out job duties successfully, they need to form cordial terms and relationships with each other. Therefore, it can be stated, exercising control on the feeling of anger and up-gradation of professional skills are regarded as vital peaceful conflict resolution methods.

Understanding the Significance of Peaceful Conflict Resolution Methods

The individuals within organizations, irrespective of their job positions in the hierarchy have the primary objectives of doing well in their job duties, leading to an increase in productivity and profitability, managing resources in an adequate manner, achieving organizational goals and leading to up-gradation of the overall structure of the organizations. When they are wholeheartedly determined towards achievement of these objectives, they need to form cordial and amiable terms and relationships with each other. All the

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members of the organization are required to work in collaboration with each other in doing well in job duties and in generating the desired outcomes. Furthermore, they will obtain help from each other in providing solutions to various types of problems. All the members of the organization, irrespective of their job positions in the hierarchy need to be well-aware in terms of peaceful conflict resolution methods. When these methods will be put into operation in an effective manner, the individuals will be able to form cordial and amiable terms and relationships with each other. Therefore, all the members acquire an efficient understanding of peaceful conflict resolution methods, when they prove to be favourable in forming cordial and amiable terms and relationships with each other.

In all types of organizations, one of the main reasons of positivity in conflicts is, they lead to generation of new ideas. All the members of the organization, irrespective of their job positions in the hierarchy need to be well-aware in terms of modern, scientific and innovative methods. These need to be put into operation to generate the desired outcomes. The individuals work on assignments and projects on an individual basis as well as in groups. Even when they are working on projects individually, they need to communicate with others to generate ideas. The individuals or groups need to communicate with each other in a decent and polite manner. Furthermore, they need to treat each other with respect and courtesy. When they acknowledge these traits, they will be able to resolve conflicts in a peaceful manner. Therefore, all the members acquire an understanding of peaceful conflict resolution methods, when they contribute in augmenting knowledge among individuals in terms of modern, scientific and innovative methods.

All the members need to be well-equipped in terms of job duties and responsibilities. It is the job duty of the supervisors and employers to impart information in terms of various types of job duties and responsibilities. Furthermore, they need to impart information in terms of methods of implementing them. When the employees get recruited within organizations, they are required to get enrolled in training and development programs. In these programs, they are imparted with information in terms of methods to carry out the job duties in a well-organized manner. The individuals in leadership positions ensure that in these programs, adequate information is imparted to the individuals. When these programs are not in a well-developed state, the individuals experience barriers within the course of augmenting their learning and understanding. As a consequence, there may be occurrence of conflicting situations. Hence, it needs to be ensured, these programs are in a well-developed state. Therefore, an understanding of peaceful conflict resolution methods is facilitated, when they contribute in generating information among individuals in terms of methods in implementation of job duties and responsibilities in an effective manner.

Peaceful Conflict Resolution Methods

The occurrence of conflicting situations is regarded as normal. These do take place among individuals within all types of organizations. The individuals within organizations, irrespective of their job positions in the hierarchy have the primary objectives of doing well in their job duties, achieving organizational goals and leading to up-gradation of the overall structure of the organizations. When they are wholeheartedly determined towards achievement of these objectives, they need to be informative in

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terms of peaceful conflict resolution methods (7 Strategies on How to Resolve Conflict in the Workplace, 2021). All the members of the organizations need to develop mutual understanding and form cordial and amiable terms and relationships with each other. Hence, conflicts need to be prevented from giving rise to impediments within the course of formation of sociable terms and relationships with each other. On the internet, there are number of articles that impart information in terms of peaceful conflict resolution methods. The individuals are required to put them into practice on the basis of the situations that they have experienced. After information is acquired in terms of the causes of occurrence of conflicting situations, the individuals need to put emphasis on reinforcement of peaceful conflict resolution methods. These are stated as follows:

Implementation of Effective Communication Processes

All the members of the organization, irrespective of their job positions in the hierarchy need to be well-aware of the fact that in order to generate the desired outcomes, they need to communicate with each other in an effective manner. In order to do well in one's jobs, there are certain methods in terms of which the individuals need to be aware of. When there are occurrence of conflicting situations, they need to be informative in terms of peaceful methods. The individuals or groups need to communicate with each other in a decent and polite manner. Furthermore, they need to treat each other with respect and courtesy. There should be usage of respectful words within the course of putting into operation effective communication processes. When the communication processes are put into operation in a well-mannered way, the individuals will contribute significantly in resolving the conflicting situations. As a consequence, the individuals will be able to concentrate well on their job duties. Therefore, it can be stated, implementation of effective communication processes are regarded as one of the indispensable peaceful conflict resolution methods.

Reinforcement of Listening Skills

When there are occurrence of conflicting situations, the individuals normally aspire to express their viewpoints. The reason being, the individuals aim to generate the desired outcomes in job duties and retain their jobs. Hence, they need to speak and give explanations. The other individuals need to be understanding and give opportunities to others to express their viewpoints. The individuals or groups need to listen to each other in an effective manner. In other words, they need to listen to each other in a calm manner, without possession of any types of ill feelings. Listening and understanding other's viewpoints and perspectives are regarded to be of utmost significance. When one person is speaking, others should maintain eye contact with him or her. When he or she is giving valid reasons or is accepting his or her mistakes, the other individuals should listen and reinforce the understanding nature. The individuals need to form positive viewpoints and not possess any negative feelings in terms of other individuals. Furthermore, they need to possess a considerate and thoughtful nature. Therefore, reinforcement of listening skills is one of the important peaceful conflict resolution methods.

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Thinking before Speaking

The individuals should think before they speak. When they are speaking with their colleagues, superiors or subordinates, they need to think before they speak. When they recognise the meaning and significance of this method, they will develop logical thinking. In this method, when they are expressing their ideas and viewpoints, they ensure, they speak the truth. When the members have made mistakes or have implemented the action that have proven to be unfavourable to the other members or the organization as a whole, in such cases, they need to ensure, they provide factual information to the other members. When they are providing explanation before other individuals or are giving ideas and viewpoints, they need to think before they speak. This strategy would enable the individuals to speak morally and ethically. Furthermore, they are required to make provision of factual and accurate information. As a consequence, the conflicting situations will be resolved in a peaceful manner. Depicting the traits of honesty and truthfulness will enable the members to acquire appreciation and reverence. Therefore, thinking before speaking is a significant peaceful conflict resolution method.

Exercising Control on the feeling of Anger

The individuals need to manage anger and prevent it from having any kinds of unfavourable effects on the implementation of all the tasks and activities. It is apparently understood that when there are occurrence of conflicting situations, the individuals usually feel anger. The feeling of anger usually is experienced, when the individuals are accused for the wrongdoings which they have not done. Another reason is when they are to carry out a task and do not possess the materials and other resources and as a consequence, the task gets delayed, in such cases, anger is experienced. Due to this, there may be occurrence of conflicting situations as well. Individuals need to exercise control on the feeling of anger and prevent it from assuming a major form. When the individuals experience various types of problems, they do feel anger and frustration. But the individuals need to exercise control on them. Within the course of occurrence of conflicting situations, this method is regarded to be of utmost significance. Therefore, exercising control on the feeling of anger is a vital peaceful conflict resolution method.

Up-gradation of Professional Skills

The members of the organization need to be professional in their conduct. Throughout the job duties of all the members, irrespective of their job positions in the hierarchy need to focus on honing of professional skills. These skills would prove to be suitable to them in doing well in their job duties, retaining their jobs and in resolving conflicting situations in a peaceful manner. When there are conflicts, professional skills would contribute in a significant manner in resolving them. Furthermore, they need to be prevented from having any detrimental effects on the individuals as well as the overall structure of the organizations. The individuals need to cope with various types of problems and difficulties in a calm and composed manner. When there are occurrence of conflicts and disagreements, the individuals need to put emphasis on up-gradation of professional skills. In other words, they need to be aware that in order to carry out job duties successfully, they need to communicate efficiently and form cordial terms and

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relationships with each other. Therefore, up-gradation of professional skills is a crucial peaceful conflict resolution method.

Being Well-equipped in terms of Job Duties and Responsibilities

All the members need to be well-equipped in terms of job duties and responsibilities. When these are not completed on time or when these are not carried out in accordance to the expectations of the employers, there are occurrence of conflicting situations. On the other hand, when the individuals are blamed for the misconducts which they have not done, there may be occurrence of conflicting situations. Another reason is, when they are to carry out a task and do not possess the materials and other resources and as a consequence, the job duty gets postponed, in such cases, there are occurrence of conflicting situations. Individuals need to be informative in terms of methods and approaches to do well in their jobs and achieve desired goals. When the job duties and responsibilities are carried out in a well-organized and efficient manner, the members will acquire appreciation and reverence. Furthermore, they will develop motivation towards the implementation of job duties and incur the feeling of job satisfaction. Therefore, being well-equipped in terms of job duties and responsibilities is an eminent peaceful conflict resolution method.

Possessing the Capacity to respond to Important Matters

In all types of organizations, the members have the main objective of doing well in their jobs and achieving desired goals. There are some matters, which are regarded as more important. The individuals need to possess the capacity to respond to important matters. These need to be taken into account to develop mutual understanding and resolve conflicts. When the supervisors and employers are imparting information in terms of important matters, the members need to ensure, they understand them and put them into practice. When the employees experience any problems and challenges, they need to ensure they provide solutions to them in an effective manner. On the other hand, when the members are unable to possess the capacity to respond to important matters, in such cases, there are occurrence of conflicting situations. Hence, in order to resolve the occurrence of conflicting situations, it is of utmost significance for the members to possess the capacity to respond to important matters. This method needs to be reinforced throughout the job duties of the individuals. Therefore, possessing the capacity to respond to important matters is a meaningful peaceful conflict resolution method.

Possessing the Abilities to Work under Stress

In some cases, the job duties are complicated and tedious. These job duties are usually time consuming. When these are not completed on time or when these are not carried out in accordance to the expectations of the supervisors and employers, there are occurrence of conflicting situations. When the workforce is overwhelmed by number of job duties and responsibilities, they do feel stressed. Hence, in order to carry out all job duties successfully and resolve conflicts, the individuals are required to strengthen the method of possessing the abilities to work under stress. In order to resolve the occurrence

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of conflicting situations and disagreements, the individuals need to possess the abilities to work under stress. When the individuals put emphasis on this method, they will be able to complete all job duties on time, meet the expectations of the supervisors and employers and resolve the occurrence of conflicting situations in a peaceful manner. This method needs to be reinforced throughout the job duties of all the individuals. Therefore, possessing the abilities to work under stress is a suitable peaceful conflict resolution method.

Generating Awareness in terms of and Respecting Differences

The individuals within the organizations are different from each other in terms of various factors, i.e. caste, creed, race, religion, ethnicity, educational qualifications, skills, abilities, aptitude, gender, age, cultures, personality traits, and socio-economic backgrounds. In order to do well in one's job duties, achieve organizational goals, develop mutual understanding with others, carry out job duties in accordance to the expectations of the supervisors and lead to up-gradation of the overall structure of the organizations, the individuals need to respect the differences. Furthermore, they need to treat each other with respect and courtesy. The individuals in leadership positions need to make provision of equal rights and opportunities to all the members. Furthermore, there should not be any discrimination on the basis of any factors. When the individuals are not given equal rights and opportunities and there is experiencing of discriminatory treatment, this gives rise to conflicting situations (5 Conflict Resolution Strategies, 2019). Therefore, generating awareness in terms of and respecting differences is a peaceful conflict resolution method, which needs to be acknowledged throughout one's job duties.

Implementing the Traits of Honesty and Truthfulness

It is of utmost significance for the individuals to implement the traits of honesty and truthfulness. In order to put into operation job duties successfully, achieve organizational goals, form cordial and amiable terms and relationships with others, carry out job duties in accordance to the expectations of the supervisors and lead to up-gradation of the overall structure of the organizations, the individuals need to implement the traits of honesty and truthfulness. Furthermore, these traits resolve the occurrence of conflicting situations in a peaceful manner. When the individuals are being accused and they are honest and truthful in their conduct, they will be able resolve conflicts peacefully. In order to carry out all job duties successfully and resolve conflicts, the individuals are required to not only be informative in terms of methods and strategies, but they need to pay attention towards reinforcement of the traits of honesty and truthfulness. Therefore, implementing the traits of honesty and truthfulness is a peaceful conflict resolution method, which has rendered an important contribution in incurring the feeling of job satisfaction.

Implementation of Peaceful Conflict Resolution Methods have proven to be Advantageous in achieving Organizational Goals

The individuals within organizations, irrespective of their job positions in the hierarchy have the

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primary goals of doing well in their job duties; leading to an increase in productivity and profitability; satisfying the needs and demands of the customers; managing resources in an adequate manner; utilizing modern, scientific and innovative methods; organizing seminars and workshops; leading to enhancement of training and development programs; promoting employee well-being; leading to up-gradation of infrastructure, amenities and facilities; making wise and productive decisions; implementing time management skills in an effective manner and leading to up-gradation of the overall structure of the organizations. When they are wholeheartedly determined towards achievement of these goals, they need to form cordial and amiable terms and relationships with each other. All the members of the organization are required to work in collaboration with each other in doing well in job duties and in generating the desired outcomes. In this manner, they alleviate the occurrence of conflicts (5 Effective Conflict Resolution Strategies, 2021). Therefore, it is well-understood, implementation of peaceful conflict resolution methods have proven to be advantageous in achieving organizational goals.

It is of utmost significance for the individuals to implement the traits of trustworthiness, morality and reliability. In order to put into operation job duties successfully, achieve organizational goals, form pleasant terms and relationships with others, carry out job duties in accordance to the expectations of the supervisors and lead to up-gradation of the overall structure of the organizations, the individuals need to put into operation the measures to reinforce these traits. Furthermore, these traits render an important contribution in achieving organizational goals and resolving the occurrence of conflicting situations in a peaceful manner. When the individuals are being accused and they are honest and truthful in their conduct, they will be able resolve conflicts peacefully. In order to carry out all job duties successfully and resolve conflicts, the individuals are required to not only be informative in terms of methods and strategies, but they need to pay attention towards reinforcement of the traits of trustworthiness, morality and reliability. Therefore, it can be stated, implementation of peaceful conflict resolution methods have proven to be advantageous in achieving organizational goals.

The members of the organization need to be proficient in their conduct. Throughout the job duties of all the members, irrespective of their job positions in the hierarchy need to focus on honing of knowledge, skills and abilities. These factors would prove to be suitable to them in doing well in their job duties, retaining their jobs, achieving organizational goals and in resolving conflicting situations in a peaceful manner. When there are occurrence of conflicts, the up-gradation of competencies and abilities would contribute in a significant manner in resolving them. Furthermore, they need to be prevented from having any unfavourable effects on the job duties of the individuals as well as the overall structure of the organizations. Furthermore, the individuals need to cope with various types of problems and difficulties in a calm and composed manner. When there are occurrence of conflicts and disagreements, the individuals need to put emphasis on up-gradation of knowledge, skills and abilities. Therefore, in all types of organizations, implementation of peaceful conflict resolution methods have proven to be advantageous in achieving organizational goals.

Alleviation of Conflicts are Vital in enhancing the Career Prospects of the Individuals

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Enhancing the career prospects is regarded as one of the indispensable job duties of the individuals. In order to carry out this task in an efficient manner, they need to be informative in terms of various aspects. These are, being well-versed in terms of job duties and responsibilities; implementing the traits of diligence, resourcefulness and conscientiousness; inculcating the traits of morality and ethics; conducting research on regular basis; possessing the abilities to work under stress; utilizing modern, scientific and innovative methods in the implementation of job duties; providing solutions to various problems in an effective manner; leading to up-gradation of infrastructure, amenities and facilities; making wise and productive decisions; implementing time management skills in an effective manner and honing analytical, critical thinking and problem-solving skills. The reinforcement of these aspects will render an important contribution in enhancing the career prospects of the individuals. Furthermore, there will be implementation of peaceful conflict resolution methods. Therefore, implementation of factors enable the individuals to understand that alleviation of conflicts are vital in enhancing the career prospects of the individuals.

All the members of the organization, irrespective of their job positions in the hierarchy need to be well-aware of certain factors. When they are wholeheartedly focused upon enhancing their career prospects, they need to develop mutual understanding and communicate with each other in an effective manner. In order to do well in one's jobs, there are certain methods and approaches in terms of which the individuals need to be aware of. When there are occurrence of conflicting situations, individuals need to be informative in terms of the peaceful methods. The individuals or groups need to focus on making use of their knowledge and competencies in a satisfactory manner. Furthermore, they need to treat each other with respect and courtesy. There should be usage of respectful words within the course of putting into operation effective communication processes. In this manner, the individuals will contribute in a significant manner in resolving the conflicting situations. As a consequence, the individuals will be able to concentrate well on their job duties. Therefore, alleviation of conflicts are vital in enhancing the career prospects of the individuals.

The individuals need to be well-versed in terms of ways of promoting a normal mind-set. They need to curb the psychological problems of anger, stress, anxiety and frustration. Furthermore, these need to be prevented from having unfavourable effects on the career prospects of the individuals. It is apparently understood that when there are occurrence of conflicting situations, the individuals usually experience various types of psychological problems. These problems are usually is experienced, when the individuals do not possess adequate resources for implementation of tasks and activities. When individuals are to carry out a task and do not have assistance, as a consequence, the task gets delayed, in such cases, there are occurrence of barriers. Due to this, there may be occurrence of conflicting situations as well. Individuals need to exercise control on the psychological problems. Furthermore, these need to be prevented from assuming a major form. When the individuals experience various types of problems, there may be occurrence of conflicting situations. Therefore, alleviation of conflicts are vital in enhancing the career prospects of the individuals.

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Conclusion

Within all types of organizations, there are in some cases, occurrence of conflicting situations among individuals. These take place among colleagues as well as the superiors and the subordinates. All the members of the organization, irrespective of their job positions in the hierarchy need to be well-aware of the aspect that in order to do well in their jobs and achieve the desired goals, they need to develop mutual understanding and communicate with each other in an effective manner. In this manner, there will be prevention of conflicts as well.

Peaceful conflict resolution methods which need to be reinforced on regular basis are, implementation of effective communication processes, reinforcement of listening skills, thinking before speaking, exercising control on the feeling of anger, up-gradation of professional skills, being well-equipped in terms of job duties and responsibilities, possessing the capacity to respond to important matters, possessing the abilities to work under stress, generating awareness in terms of and respecting differences and implementing the traits of honesty and truthfulness. Implementation of peaceful conflict resolution methods have proven to be advantageous in achieving organizational goals. Alleviation of conflicts are vital in enhancing the career prospects of the individuals. Finally, it can be stated, implementation of peaceful conflict resolution methods will prove to be favourable to the individuals as well as the organization as a whole.

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