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THE RELATIONSHIP BETWEEN CORPORATE SOCIAL RESPONSIBILITY AND FINANCIAL REPORTING QUALITY: EVIDENCE FROM SAUDI ARABIA

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Abstract:

The aim of this study is to examine the relationship between CSR and FRQ in the Saudi corporate sector. Based on stakeholder theory, this study proposes that firms working in countries that exhibit strict conformity to societal values are motivated by increasing CSR, leading to improved FRQ. Using a sample of 200 observations taken from all Saudi manufacturing and utilities listed firms, the current study found that CSR is not related to FRQ. This result might be due to the fact that an improvement in FRQ is a matter of institutional factors rather than ethical practices such as CSR activities. Overall, this result provides evidence supporting the significance of institutional factors in studies from countries having different CSR and FRQ models.

Key words: Corporate Social Responsibility, Financial Reporting Quality, Saudi manufacturing and utilities listed firms, earnings persistence, agency theory, stakeholder theory.

1. INTRODUCTION

The relationship between corporate social responsibility (hereafter, CSR) and Financial Reporting Quality (hereafter, FRQ) has received significant attention from researchers in recent years. Based on stakeholders' theory, managers should maintain a good relationship with all of their firms' stakeholders and act responsibly toward their interests (Donaldson and Preston, 1995). In this view, managers should disclose reliable information that reflects the economic reality of firms' transections (Palacios-Manzano, Gras-Gil, and Santos-Jaen, 2021). CSR is considered as a tool by which firms can build strong relationships with their stakeholders, and thereby it can be used as a strategic goal to enhance the value of firms (i.e., by achieving better long-term performance rather than current profit).

In this context, prior studies provide evidence indicating that firms adopting CSR are more likely to report relevant and reliable financial reporting (Kim, Park, & Wier, 2012; Palacios-Manzano et al., 2021). According to this view, CSR practices are positively associated with FRQ (and negatively related to earnings management).

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However, there is a different view regarding this issue. Based on agency theory, this view proposes that CSR can be used by managers as an entrenchment tool to divert attention from their unethical practices. In other words, managers might work to achieve their own interest by distorting the financial reporting, while they perform CSR activities to deal with stakeholders' vigilance and security (Gras-Gil, Manzano, and Fernández, 2016). According to this view, CSR practices are negatively associated with FRQ.

In the case of Saudi Arabia, Islam shapes all aspects of life in Saudi Arabia including those related to business acts. In such a situation, regulations seek to encourage firms to implement CSR activities; for example, Article No. 87 of the CG code suggests that Saudi listed firms should have a policy by which firms could ensure that their objectives are consistent with development of the community (CG regulation, 2006).

Khan, Al-Maimani, and Al-Yafi (2013) noted that firms working in Islamic countries like Saudi Arabia are motivated to act responsibly to their society. This would lead to a business environment that closely reflects social values. In such a case, it could be expected that firms react to the society's needs by increasing their CSR activities. In relation to the issue of financial reporting, firms are committed to provide their stakeholders with relevant and reliable information in order to be legitimated and to survive, since CSR can help to enhance the transparency of financial reporting (Kim et al., 2012). It is thus suggested that both CSR and FRQ meet stakeholders' claims in countries that that exhibit strict conformity to societal norms such as Saudi Arabia.

In view of the mixed results of prior studies regarding the relationship between the CSR and financial reporting quality, the need to investigate this issue in an emerging country that has a different CSR-FRQ model is warranted.

It is notable that the majority of studies on the relationship between CSR and FRQ have been carried out in developed countries, while there are very few studies examining this subject in developing countries such as Saudi Arabia. Notably, the current study uses a sample from a country that exhibits strict conformity to social norms (Saudi Arabia), suggesting that firms domiciled in such a country should harmonize their activities in accordance with the society's needs. Thus, this study aims to fill the gap in the existing literature from previous studies and provides evidence on the relationship between the CSR and financial reporting quality in a different business institutional structure.

The current study uses a sample of 200 observations from all Saudi manufacturing and utilities listed firms in the period covering 2015 to 2018. The ISO 26000 system is used to identify the dimensions of CSR, while, the FRQ is measured by using earnings persistence. However, discretionary accrual and earnings smoothing are also used to enhance the stability of the initial result.

The results indicate that CSR is not related to FRQ. This result might be due to the fact that an improvement in FRQ is a matter of institutional factors rather than an issue related to ethical practices such as CSR activities.

The result of this study contributes to both theory and practice. The current study adds new insights into the relationship between CSR and FRQ as it provides evidence from countries having different CSR and FRQ models. This result provides evidence supporting the institutional view, suggesting that FRQ is a function of institutional factors rather than ethical practices.

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In the Saudi business context, this study provide evidence concerning the extent of CSR contribution to FRQ. It recommends that policy makers (i.e. the Capital Market Authority) should review the acts related to CSR and FRQ, thereby improving the investment climate in Saudi Arabia.

The remainder of this paper is organized as follows: Section 2 reviews the literature and develops the study hypothesis. Section 3 describes the methodology of study. Section 4 discusses the results of the study. Finally, Section 5 draws conclusions and discusses limitations of the study, and presents possible areas for future studies.

2. LITERATURE AND HYPOTHESIS DEVELOPMENT

Agency theory suggests that managers and stockholders have different goals. This situation might cause a conflict of interest between managers who work as agents of firms and stockholders who own the firms (Jensen & Meckling, 1976). In practice, firms' resources might be used by managers unlawfully to achieve their own interests rather than maximizing the value of firms. In order to obscure their unethical behavior, managers may use CSR activities as a hedging strategy to avoid firms' vigilance and security (Gras-Gil, Manzano, and Fernández, 2016). With regard to financial reporting, one way to build a positive image among stakeholders that can be used by managers who illegally misuse firms' resources is to disclose more information about CSR activities (Orlitzky, Schmidt and Rynes, 2003). In this way, managers who manipulate accounting numbers conceal their illegal acts by using CSR activities to gain the trust of stakeholders. This implies that an ethical behavior (i.e., CSR activities) in fact becomes mere window-dressing used by managers to adhere to the formal external structure, while keeping their unethical acts under cover (Kim et al., 2012). Some literature uses the term "opportunistic hypothesis" to describe this assumption (Chih, Shen, Kang, 2007; Martínez-Ferrero, Garcia-Sanchez, and Cuadrado-Ballesteros, 2015).

The literature also reports some other incentives to increase CSR activities consistent with engaging in unethical acts. Kim et. al., (2012) argue that managers who act unethically might increase CSR activities in order to send signals to a firm's stakeholders that they are doing a good job, and thus increase the likelihood of maintaining their positions in the company. In fact, managers who manipulate accounting numbers might face the risk of affecting their position in the firm if their actions become known. These risks include the threat of boycotts from activists, claims of illegitimacy from the community, and exposure by the media. In order to alleviate such threats, managers may attempt to improve the relationship with stakeholders through increasing CSR activities (Prior Surroca, Tribó, 2008). Since carrying out CSR activities might lead to reduced current profit by the amounts incurred in their implementation, managers may offset these costs through manipulating accounting numbers.

In this context, Prior et.al. (2008) proposed that earnings management activities (as an example of unethical behaviors of management) could negatively affect the management-stakeholders' relationship. Hence, managers who manipulate earnings use CSR activities to mitigate stakeholder activism and vigilance. The researchers found that CSR was positively associated with earnings management practices. Their result provided evidence supporting agency theory, where CSR activities are used to cover up unethical practices such as earnings management (EM).

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Likewise, Habbash and Haddad (2019) investigated the relationship between CSR and EM by using a sample taken from all Saudi public firms listed on the Saudi Stock Exchange over the period covering the years of 2015 and 2016. Their result revealed that that CSR is positively and significantly related to EM practices. Again, this supports the concept of agency theory that CSR is used to disguise unethical acts and avoid firms' vigilance and security.

The current study differs from Habbash and Haddad's study in several aspects. With regard to sample size, the current study used a technique of restricting the sample to only manufacturing and utilities firms listed in Saudi stock exchange. All such firms were included in the sample in order to avoid sample bias. It is argued that this restriction is acceptable since manufacturing and utilities firms provide services to wide range of stakeholders. Moreover, the current study extended Habbash and Haddad's study by using another FRQ measurement (i.e., earning persistence) that could provide a more accurate finding compared to discretionary accruals when sample size is limited; namely, the requirement of including a minimum of six companies in each industry in order to run the regression model as suggested by DeFond and Jiambalvo (1994). Finally, the current study used the period covering a longer time horizon compared to Habbash and Haddad's study. Hence, it includes the effect of time variant factors on the CSR and FRQ model.

In summary, agency theory suggests that managers and stakeholders have different objectives: therefore, managers acting to achieve their own interests might use a firm's resources for their own interest rather than on behalf of the firm's owners. In order to align financial reporting with stockholders' expectations, managers may manipulate accounting numbers, and implement CSR activities to cover up these unethical acts.

However, an alternative theory, stakeholders' theory, can be used to explain the relationship between CSR and FRQ. Under the assumptions of this theory, managers should align their objectives with stockholders' expectations and keep good relationships with stakeholders (Martínez-Ferrero et. al., 2015). One way to build good relationships with firms' stakeholders is implementing CSR activities by which firms can enhance their reputation in the long term and boost the value of firms rather than achieve current profit in the short term. Concerning the extent of financial reporting, managers should determine the type and extent of information that meets stakeholders' demands. In fact, CSR helps increase the transparency and credibility of financial reporting and reduces the probability of manipulating accounting numbers (Kim et al., 2012; Palacios-Manzano et. al. 2021). Both CSR and FRQ meet stakeholders' claims. In sum, firms engaging in CSR activities send a message conveying the firms' response to stakeholders' claims.

In this regard, Chih et al. (2008) argued that CSR activities increase the transparency and visibility of financial reporting, thereby reducing the incentive to manipulate earnings. Bozzolan, Fabrizi, Mallin, Michelon, (2015) also indicated that firms engaging in CSR practices are more committed to enhance the value of firms and, hence, are less likely to manipulate earnings because these acts could have adverse effects on long term reputation and thus damage the value of firm. In this view, CSR is considered an ethical behavior that does not exist simultaneously with unethical acts (such as earnings management) in a firm (Chih et al., 2008).

The research literature provides some evidence supporting this view. A study undertaken by Palacios-Manzano et al. (2021) examined the relationship between CSR and FRQ as measured by accrual-based

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earnings management. They argued that CSR firms are committed to keep long-term relationships with stakeholders rather than focusing on achieving short-term profit. Using a sample of 100 Spanish firms in the period covering 2011 and 2015, the study found that CSR practices negatively impacted earnings management, supporting the view that CSR is related to FRQ as both aim to meet the needs of the stakeholders. The result of Kim et al. (2012) revealed that firms implementing CSR are less likely to engage in manipulating earnings. Again, this supports the view that CSR can have an important role in maintaining the transparency and credibility of financial reporting. Also in this context, Gras-Gil, Manzano, and Fernández (2016) found a negative relationship between CSR and earnings management (as a proxy for FRQ) implying that CSR can be considered as a part of ethical model that helps ensure that firms use resources in compliance with ethical codes and reduces the probability of manipulating earnings, thereby leading to improved FRQ.

The above line of thinking explains why CSR is important in improving FRQ, based on the supposition that both CSR and FRQ aim to meet the needs of the stakeholders (i.e., enhancing long term reputation and improving the value of firms).

With respect to the Saudi corporate context, Saudi Arabia exhibits strict conformity to social norms, where Islamic directions shape all aspects of life including those related to business sector (Basic Law of Governance, 1992; Issa, 2017). Islamic directions induce individuals to be responsible towards the community they live in (Khan et al. (2013). This implies that firms working in a country that has strict societal norms like Saudi Arabia should exhibit more commitment toward the community's faith by increasing the level of CSR activities as well as avoiding any unhealthy practices that affect their reputation in order that the firm survive and are legitimated. In this situation, it is anticipated that Saudi listed firms have greater incentives to improve FRQ, along with increasing CSR activities, because both can help enhance their long-term reputation and improve the value of firms, leading to the achievement of stakeholders' goals. Following from the above line of reasoning, the current study proposes that CSR is positively associated with FRQ. Hence, the hypothesis of study is developed in alternative form as follows: There is a positive relationship between CSR and FRQ in the corporate sector of Saudi Arabia.

3. METHODOLOGY OF THE STUDY

$$FRQ = \beta_0+\beta_1 CSR+\beta_2 LEV +\beta_3 SIZE +\beta_4 GROWTH+ \beta_5 CFO +\beta_6 SVOLIT + e$$

3.1 Model and Variables: In order to test the relationship between FRQ and CSR, the current study has developed the following model:

Where, FRQ is Financial Reporting Quality, as measured by earning persistence (EP). Specifically, this measurement provides a good indicator of earnings sustainability when firms have good reports. Following Francis, Lafond, Olsson & Schipper (2004), the current study adopts the following regression model to test the hypothesis:

$$X_{it}= \emptyset_0+ \emptyset_1 X_{it-1} +V_{it}$$

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Applying the above equation yields firms' and year-specific estimates of ϕ_1, which captures the persistence of earnings (i.e., FRQ). Values of ϕ_1 close to 1 indicate higher earnings persistence, while values of ϕ_1 close to 0 indicate lower earnings persistence. The other variables are defined based on prior studies as follows:

CSR	=	CSR, is the independent variable of this study, measured based on ISO 26000 system. The values of "1" or "0" is assigned for each of four dimensions representing CSD; namely, labor practices, the development of the community, customer issues, and the environment (with 1 assigned if an item is disclosed, and 0 otherwise). This process yields a measure taking the range from 0 to 4. The percentage of CSD in each firm is then calculated by using the $\sum$ of actual disclosure for each firm divided by the maximum number of checklist items (Consoni & Colauto, 2016).
LEV	=	Leverage, is the ratio of total liabilities to total assets.
SIZE	=	Firm size, is the natural log of firms' assets.
GROWTH	=	Firms' growth, is the annual percentage change in firm's sales.
CFO	=	Operating cash flow, is measured by CFO scaled by year-end total assets.
SVOLIT	=	Sale Volatility, is measured by sale, scaled by year-end total assets.

3.2 Sample Size: The sample includes all manufacturing and utilities firms listed in Saudi stock exchange during the period 2015-2018. A normality test was used to ensure that observations for each variable complied with the normality requirements. The results show that the assumption of normality is met since the values of skewness and kurtosis are within the values of ± 3. The initial sample consisted of 223 observations. However, some cases were deleted due to the unavailability of data. Thus, the final sample consisted of 200 manufacturing and utilities firms listed on the Saudi stock exchange. The sample was selected for a judicious reason, since manufacturing and utilities firms provide services to a wide range of stakeholders. It should be noted that the earlier classification of firms' nature of business used by the Saudi Stock Exchange was adopted to ensure comparability of all data used over the entire study period.

4. RESULTS AND DISCUSSION

4.1 Descriptive Statistics: Table 1 provides information on the descriptive statistics of the variables included in the model. The results reveal that the mean value of FRQ of firms selected in the sample was .74, indicating that FRQ of manufacturing and utilities firms listed in Saudi stock exchange is high according to the rule specified above (i.e. values of ϕ_1 close to 1 indicate higher earnings persistence, while values of ϕ_1 close to 0 indicate to lower earnings persistence). Furthermore, the mean value of CSR was .78 indicating that Saudi manufacturing and utilities listed firms are concerned about performing their duties toward their society. Specifically, the CSR on labor issues achieved the highest level of CSR (.84), followed by community (.73), customer (.72), and environment (.63). It could be expected that the CSR of manufacturing

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and utilities listed firms is high due to the nature of this industry which requires dealing with human life and health sensitively and the firms are required to keep society safe.

Table 1: Descriptive Statistics

Variable	Mean	Median	Max	Min	SD
FRQ	.74	.75	1.31	.5	.18
CSR	.78	.75	1	.00	.31
LEV	-.49	-.40	-.08	-1.4	.31
SIZE	6.5	6.4	8.52	5.37	.65
GROWTH	-2.3	-1.97	.21	-4.98	1.12
CFO	-2.4	-2.1	-1.17	-5.92	.94
SVOLIT	.50	.43	1.58	.12	.30

Results of Pearson correlation analysis (not tabulated) revealed that the variables are not strongly related to each other, since the tolerance value is greater than .10, and VIF is below 10 for all variables. This indicates that multi-collinearity should not be a serious concern within variables (Hair, Anderson, Black, Babin, Tatham,2006).

Table 2 summarizes the results of regression analysis. Contrary to expectations, the results revealed that CSR is not significantly related to FRQ (p=.40). A possible reason for this result may relate to the institutional view explained by Chih et al (2008) which claims that a lower value of FRQ relating to financial scandals is a function of institutional factors such as growth in equity-based compensation and the herd behavior of fund managers rather than ethical issues (i.e., CSR). On the other hand, this result is not consistent with prior studies such as those of Chih et al (2008) and Palacios-Manzano et al (2021) who found that CSR was positively related with FRQ and negatively with earnings management. The conflicting results might be due to the differences in the sample size and time horizon between this study and prior studies.

Regarding the results of control variables, the findings reveal that both growth and sale volatility are important factors affecting the FRQ of Saudi manufacturing and utilities listed firms (p = .004, .028 respectively).

Table 2: Regression Results for EP.

$FRQ= \beta_0+\beta_1 CSR+\beta_2 LEV +\beta_3 SIZE +\beta_4 GROWTH+ \beta_5 CFO +\beta_6 SVOLIT + e$

Variables	*B*	*t-value*	*p-value**
Intercept	.613	3.578	.000*
CSR	.025	.843	.401

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LEV	.005	.136	.892
SIZE	-.033	-.775	.439
GROWTH	-.034	-2.947	.004*
CFO	.024	1.711	.089**
SVOLIT	-.113	-2.208	.028*
R^2	.10		
F-ratio	3.44	.003	

**p*-values represent one-tailed tests when direction of coefficient is consistent with expectations; Sig. $F < 0.05$; **; Sig. $F < 0.10$; Variables are as defined in model specification in methodology section.

4.2 ADDITIONAL TESTS

Several additional tests were carried out to test the stability of the initial analysis. In order to test alternative definitions of variables, CSR is measured by using ordinal measures, taking the values ranging from 0 to 4 based on dichotomous variables used in the initial test. Un-tabulated results of regression analysis reveal that CSR is not significantly related to FRQ (p =. 545).

FRQ is redefined by using earnings management (EM) as measured by abnormal accrual based on the absolute value of discretionary accrual. In order to test whether CSR is related to discretionary accrual, the cross-sectional version of the modified Jones model (DeFond and Jiambalvo, 1994) was run. The regression used in this analysis was developed based on prior studies as follows:

DAC= β_0+ β_1CSR+ β_2 B-SIZE + β_3B-MEET+ β_4SIZE+ β_5LEV+ β_6AGE+ β_7CFO+ β_8GROWTH+ β_9LOSS+ β_{10}BIG4 +e.

Where, DAC is the absolute value of discretionary accrual; B-SIZE is board size as measured by the number of board members; B-MEET is the board meeting as measured by the frequency of board meetings during a year; AGE is the firms' age measured by the number of years from the first listing in Saudi Stock Exchange; BIG4 is audit quality as measured by using a dummy variable taking "1" when the auditor is a Big4 audit firm and "0" otherwise; LOSS is firms' losses measured by using a dummy variable taking "1" when the firm reported a net income below zero and "0" otherwise; CSR, LEV, CFO and GROWTH are measured as specified in the initial analysis. A negative sign of CSR coefficient means that CSR is negatively related to earnings management and positively related to FRQ. This implies that CSR is an important factor in reducing the level of EM leading to improved FRQ. The results shown in Table 3, confirm the initial result that CSR is not related to FRQ (p=. 20).

Table 3: Regression results for DAC			
DAC = β0+ β1CSR+ β2 B-SIZE + β3B-MEET+ β4SIZE+ β5LEV+ β6AGE+ β7CFO+ β8GROWTH+ β9LOSS+ β10BIG4 +e			
Variables	*B*	*t-value*	*p-value**

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Intercept	.326	2.952	.00*
CSR	.041	1.308	.199
B-SIZE	-.001	-.204	.839
B-MEET	.004	.511	.612
LEV	.000	-.005	.996
SIZE	-.044	-2.899	.006*
AGE	.000	.632	.531
GROWTH	.065	1.180	.245
ROA	.022	.159	.875
LOSS	.007	.232	.818
BIG4	-.011	-.595	.555
R^2	.21		
F-ratio	1.10	.45	

**p*-values represent one-tailed tests when direction of coefficient is consistent with expectations; Sig. $F < 0.05$. Variables are as defined in model specification in methodology section.

Earnings smoothing was another measurement of earnings management used in this study as a proxy of FRQ. The greater the extent of earnings smoothing, the higher is earnings management leading to lower FRQ. The variability of change in net income scaled by total assets was used to measure earnings smoothing (ES). The regression used in this analysis was developed based on prior studies as follows:

$\Delta NI = \beta_0 + \beta_1 CSR + \beta_2 TURN + \beta_3 SIZE + \beta_4 LEV + \beta_5 CFO + \beta_6 GROWTH + \beta_7 BIG4 + e$.

Where, ΔNI is the variability of change in net income scaled by total assets; TURN is the sales divided by end-of-year total assets, and the other remaining variables are as above. The results summarized in Table 4 show that CSR is not significantly related to the variability of change in net income (p= .28) implying that CSR is not an important factor affecting FRQ of Saudi manufacturing and utilities listed firms. Notably, each of alternative measurements of FRQ was performed for one year (i.e. 2015) due to availability of data.

Table 4: Regression Results for ES.			
ΔNI= β0+ β1CSR+ β2TURN+ β3SIZE+ β4LEV+ β5CFO+ β6GROWTH+ β7BIG4 +e.			
Variables	*B*	*t-value*	*p-value**
Intercept	-.026	-.308	.00*
CSR	-.018	-1.096	.280
TURN	-.008	-.409	.684
LEV	-.012	-.698	.489

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SIZE	.005	.394	.696
CFO	.001	.270	.789
GROWTH	-.013	-.474	.638
BIG4	-.025	-2.452	.019*
R^2	.32		
F-ratio	2.58	.028	

*p-values represent one-tailed tests when direction of coefficient is consistent with expectations; Sig. $F < 0.05$. Variables are as defined in model specification in methodology section.

The final additional analysis was done by rerunning the initial regression for each year separately. Un-tabulated results show that none of the CSR coefficients for each year including 2015, 2016, 2017, 2018 is related to FRQ as measured by earnings persistence (p = 20, .83, .48, .70, respectively). Again, this result indicates that CSR is not an important factor in improving FRQ.

Overall, the results of additional analyses confirm the initial analysis that CSR is not an important factor affecting the FRQ of Saudi manufacturing and utilities listed firms.

5. CONCLUSION

The aim of this study is to examine the relationship between CSR and FRQ in the Saudi corporate sector. Literature on this relationship espouses two competing interpretations. Some research uses stakeholder theory to explain the relationship between CSR and FRQ. Based on this view, it is proposed that CSR firms report relevant and reliable financial reporting as they consider CSR a tool by which firms can build strong relationships with their stakeholders, thereby enhancing the value of the firms (Kim et. al., 2012; Palacios-Manzano et al., 2021). In this situation, CSR practices are positively associated with FRQ. On the other hand, the other explanation addressing this issue, agency theory, argues that CSR can be used by managers as a hedging strategy to cover up their unethical practices (Gras-Gil et. al., 2016). In such a case, CSR practices are negatively associated with FRQ.

Following Khan et. al., (2013), the current study proposes that firms working in Islamic countries such as Saudi Arabia tend to act responsibly to their society, including actions such as increasing their CSR involvement and providing stakeholders with relevant and reliable information that reflects the reality of firms' transactions, and these actions lead to improved FRQ.

With a sample of 200 observations from all of the Saudi manufacturing and utilities firms listed in the period covering 2015 to 2018, the current study found no evidence that CSR is related to FRQ. This study supports the institutional view, which proposes that an improvement in FRQ is more likely related to institutional factors rather than ethical practices such as CSR activities.

In the Saudi business context, the research findings reveal that in the current situation CSR does not contribute to FRQ. It is recommended that policy makers (i.e. the Capital Market Authority) strengthen the acts related to CSR and FRQ, and in this way contribute to improving the investment climate in Saudi Arabia.

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One possible limitation of the result of this study is the sample size. Although the sample was selected on the reasonable basis that manufacturing and utilities firms provide services to a broad range of stakeholders, the sample might limit the generalization of the results to a broader range of companies. Another concern is with regard to the use of the ISO 26000 system as a measurement of CSR. Although this method has been adopted widely by prior studies to identify the dimensions of CSR, it may not sufficiently include all aspects of the CSR concept.

Despite these limitations, the current study has addressed several issues that might necessitate further investigation by future studies. One possible suggestion is to extend the sample to include all Saudi listed firms in order to study this issue broadly in the Saud corporate sector. It is further suggested that the sample include other countries that share similar business environments, such as the GCC countries. Another suggestion for future studies is the importance of including institutional factors in the CSR-FRQ model and to examine their effects on the CSR-FRQ relationship.

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THE IMPACT OF BEHAVIORAL FINANCE FACTORS ON INVESTMENT DECISIONS OF INDIVIDUAL INVESTORS

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Abstract

Behavioral finance has a crucial influence on investors' decisions for determining stock exchanges, which ultimately impact the economy. The study attempts to propose a research model for exploring what kind of behavioral aspects affect individual investors' decisions on a stock exchange and how these variables impact their own investment strategies. In the present study, target respondents are the investors on Ho Chi Minh City Stock Exchange. Both online and offline survey are conducted to gather the necessary data. The collected data will then be processed and analyzed utilizing SPSS and AMOS to investigate the behavioral finance factors influencing the investment decisions of the investors.

Key words: Behavioral Finance, Investment Decision, Individual Investor, Investment Decision, Overconfidence, Herding Representativeness, Loss Aversion, Familiarity.

Introduction

Research Background

Stock exchange is defined as a market location for the purchase and sale of equities. The stock exchange index is usually a major priority for both regulators and investors worldwide (Nguyen, Tra Ngoc, Dat Thanh Nguyen, and Vu Ngoc Nguyen, 2020). The importance of stock exchange is demonstrated in its critical component of playing as a connection, redistributing assets from depositors, such as homeowners or instinctive shareholders, to companies, where the former is anticipated to engage cost effectively while the latter necessitates monetary capacity for further development (Pilinkus, Donatas, 2010). In a business, the stock exchange, in addition to being an important source of finance for investments, also serves as a sequence generated to executives on financial decisions and as a motivator for financial regulation (Samuel, Cherian, 2001). When stock inflation rises or the business pays dividends, numerous individuals purchase shares since they desire to be a part of the business and profit (Croushore, Dean, 2006). In several nations, stock exchange expansion has been critical in encouraging economic success and mobilizing household resources by expanding the variety of financial assets accessible to depositors to vary their investments (Vazakidis, Athanasios, and Antonios Adamopoulos, 2009). Stock exchanges could encourage international investor money and improve local collaboration between stakeholders, hence increasing the funds available for increasing prosperity (Aduda, Josiah, Jacinta Mwelu Masila, and Erick Nyakundi Onsongo, 2012). In circumstances where the stock exchanges become dynamic, stock exchange development plays a crucial part

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in forecasting future economic development (Demirgüç-Kunt, Ash, and Ross Levine, 1996). Particularly, traders can boost the nation's capability for production with their financial resources in a long period. Additionally, individual investors make a significant impact on the stock exchanges since they choose shares of firms based on various characteristics such as fund, threat, and liquidity (Nagy, Robert A., and Robert W. Obenberger, 1994).

A research area with the goal to explain why individuals come up with financial choices irrationally is behavioral finance. Behavioral finance is defined as a financial theory from a wider social scientific viewpoint that involves psychology and sociology (Sattar, Muhammad Atif, Muhammad Toseef, and Muhammad Fahad Sattar, 2020). It has also evolved among the most necessary study programs in recent time, and it runs contrary to much of market efficiency theory. In the 1990s, a great deal of intellectual study switched away from financial evaluations of data series on pricing, returns, and profits toward constructing theories of psychological behavior since it connects to the economic system (Shiller, Robert J, 2013). In the topic of efficient markets, behavioral finance separates rational marketplaces from difficult marketplaces, a difference that is sometimes obscured in normal finance, and it investigates the reason why numerous investors expect it is simple to outperform the market (Statman, Meir, 2014). According to behavioral finance theory, mispricing might continue because arbitrage is hazardous and expensive, restricting arbitrageurs' desire for reasonable restoration deals (Shleifer and Vishny, 1997). Although behavioral finance remains a contentious topic, financial experts today have a greater grasp of behavioral characteristics. It is widely acknowledged that these characteristics could impact financial decision procedures. A number of scholars also think that trading is restricted (Shleifer and Vishny, 1997), so these behaviors can have an impact on pricing. While behavioral finance study has improved understanding of financial markets, the outlook seems brighter. Nowadays, seminars on behavioral finance in financial congresses appear to attract the majority of participants, who are typically young academic experts (Kim & Nofsinger, 2008). The field of behavioral finance demonstrates how various types of investors acknowledge and respond to different information about stock exchanges (Jahanzeb, Agha, 2012).

Vietnam is among the world's few existing communist nations, and understanding how a generally capitalist enterprise such as a stock market operates within such a nation might offer unique perspectives into the potential persistence of parts of diverse economic structures (Truong et. al., 2010). Despite not ranking significantly higher in regards to global performance, Vietnam could still be regarded as one of the greatest developing countries when it comes to socioeconomic accomplishments (Giang et. al, 2007). The Vietnamese stock market has grown dramatically in regard the number of enterprises listed, enterprise value, and economic growth in a particular timeframe (Phan, Khoa Cuong, and Jian Zhou, 2014). The Vietnamese stock market is primarily represented by the HOSE Stock Exchange (Ho Chi Minh Stock Exchange). The HOSE Stock Exchange has additionally been effective in drawing international investment volumes, with global traders' net purchasers for the tenth year in a row (Nguyen, Tho, 2011). The HOSE Stock Exchange is predicted to expand even more as the Vietnamese state established changes in policy and sector reorganization in order to generate money to fulfill the requirement for long-term investment in Vietnam's structural transformation (Thanh and Su Dinh, 2017).

Research Problems

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The stock market's expansion in 2021 has motivated individual investors to enter the market in search of significant dividends. Based on behavioral finance, investor decisions make an important impact on generating market trends that subsequently influence the national economy. Some investors join the financial markets since they believe it is a good way to make money. After only just few years of investment, there are individuals who generate a profit of 20% to 30%, which is significantly more than other investment platforms. In fact, numerous investors have completely failed as a result of inaccurate beliefs and assumptions about the marketplace. The most challenging aspect of the decision-making process is how to decide a specific investment sector. Investors must focus on their risky abilities, rate of return, economic circumstances, and other issues when building their suitable portfolio. For a highly explosive sector such as the stock market, several traders, particularly novice individuals, were concerned about the international stock market's steady deterioration.

Stocks are no more unfamiliar to Vietnamese investors, many of whom have expanded their resources as a result of this fast expanding trading sector. In addition to the appealing gains that stocks provide, investors are susceptible to making faults. Investment decisions must be established on a thorough examination of the current conditions, but investors are eager to minimize difficulties related to the last decisions they choose, regardless of the various information available that supports rationality and irrationality. Vietnamese investors' actions are still tough for financial experts to comprehend despite the HOSE stock market's 11-year development. Numerous remarks and advice made by security firms or even major financial institutions did not correspond to what actually occurred.

Due to the fact that the stock exchange as well as the economy have a positive association, the development of the stock exchange will significantly enhance financial success. Hence, behavioral finance has a crucial impact on investors' decisions for determining stock exchanges, which ultimately impact the economy. To comprehend and provide an appropriate justification for marketing investments, it is necessary to investigate what kind of behavioral aspects influence individual investors' decisions on the HOSE stock exchange and how these variables influence their own investment strategies. It could be beneficial for individual traders for the purpose of comprehending prevalent tendencies, which will allow them to justify their responses for higher profits. As a result, stock values would represent their correct worth, and the HOSE stock exchange will function as an indicator of the economic growth affluence, assisting businesses in raising finance for manufacturing and growth.

Research Significances

The study is a valuable resource of stock-trading tendency for numerous investors to assess and evaluate before making appropriate investment decisions. Behavioral finance factors, including overconfidence, herding, representativeness, loss aversion, and familiarity, are all necessary to investment decisions. The research gives individual investors an excellent platform for predicting future market trends and providing highly credible advisory material to individual investors. Individual investors are able to employ this research to explore, evaluate, and examine the HOSE Stock Exchange patterns before deciding to invest in order to minimize losses and maximize returns. As a result, the following implications are expected from this investigation:

- Describe how these behavioral finance biases make an impact on investment decisions of individual

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investors on the HOSE stock exchange. Therefore, we could make some recommendations for individual investors to gain confidence and improve the investment decision-making process on the HOSE stock exchange.

- Apply the hypotheses, collect, and examine survey results

Research Objectives and Questions

The key objectives of this research in regard to the issues stated are as follows.

- Investigating the main behavioral finance factors influencing investment decisions of individual investors on the HOSE stock exchange, including overconfidence, herding, representativeness, loss aversion, and familiarity
- Evaluating the degree to which these factors impact individual investors' investment decisions.

Literature Review

Individual Investor

Individual investors are those who merely purchase and maintain the investment strategy, or a broadly diversified investment of equities (Dorn et. al, 2005). Individual investors are also purchasers of equities with low future returns, whereas financial institutions overseas are purchasers of shares with substantial future returns (Grinblatt et. al. 2000). Zhu and Ning (2002) argue that numerous individual investors work for local businesses and recognize several individuals in the community who have common future career and priorities. Individual investors' economic uncertainty could be substantially higher than is commonly assumed in financial economics (Janecek and Karel, 2004). Individual investor behavior is a significant factor of stock price changes and consequent profits (Chandra et. al., 2011). Most individual investors appear to possess a successful trading ambition combined with poor security selection capabilities (Barber et. al., 2013). Individual investors profit from nonpublic information to earn higher returns on regional transactions, which could assist market experts to comprehend how economies accumulate material effectively (Ivković et. al, 2005).

Goetzmann and Zhu (2002) analyze whether individual investors trade differently on sunny versus gloomy days using a dataset of 79,995 investors' online trading platforms from January 1991 to November 1996. When they discover that the climate has no discernible effect on trade behavior, they postulate that the climate impact is generated by market participants. They find that futures market behavior appears to be weather-related, with wider proposal spreads (showing higher risk aversion) on overcast days than on bright days.

Investment Decision

Investment decisions are decisions about the overall worth of the property and the cost of every resource component that are determined after a comprehensive review of the investment proposal (Virlics and Agnes, 2013). To optimize the worth of the performance appraisals, it is vital to comprehend the fundamental concepts of investment decisions (Avram et. al., 2009). The structure of investment decisions and the individuals who purchase or engage in the industry are the motivating factors of efficient markets (Caginalp et. al., 2011). During the decision-making stage, investors gather information, simplify it, and extend it to establish the best decision point of reference (Wan and Wen, 2018). A risky investment decision can have both financial as well as psychological implications (Zahera et. al., 2019). Since investment decisions are

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quite complex, extensive thinking is required (Mutswenje and Vincent S, 2009). Investment decisions sometimes diverge from the predictions of economic models, which leads to significant economic damage. Investment advice is a theoretically corrective component in how to make suitable investment choices, and a way to simplify model to quantify influences on individual investors' future profitability, evaluated in risk-adjusted performance and income, is developed (Fischer et. al., 2007). The involvement of a substantial number of individuals who demonstrate varying attitudes and behavioral tendencies while making investment decisions is the main cause of problems in investment decisions (Zahera et. al., 2018).

Benartzi and Thaler (2001) describe studies in which investors use a naive 1/n business model, allocating assets evenly among the funds available in their 401(k) retirement plans. This technique implies that the fund lineup makes a vital impact on the investors' investing strategy considerations. Using a broader and more suitable database, Huberman and Jiang (2006) discover indications with a conditional 1/n method. Investors select three or maybe four funds among a category and distribute equally between them. Elton, Gruber, and Busse (2004) investigate index fund selection by investors. Fees vary among funds, and given almost equal investing methods, the differences in outcome are expected. Notwithstanding this prediction, many investors participate in high-fee funds that perform (predictably) poorly.

Overconfidence

In behavioral and psychological research, individuals who act as they possess greater skills than they really do are described as being overconfident (Campbell et. al., 2004). Overconfidence is an inclination for people to display an extreme amount of confidence in oneself (Cesarini et. al, 2006). Overconfidence bias has been shown to increase tolerance for risk, cognitive flexibility, perseverance, and resolve. In short, having too much confidence may assist people in performing work better (Ngoc, 2014). Additionally, individuals who highly identify themselves as experts in a particular topic were more certain in their forecasts (Kyle, Albert S., and F. Albert Wang, 1997). The overconfidence shows the degree to which individuals understand their own capabilities and the limits of their understanding (Shefrin, Hersh, 2001). The quantity and nature of the knowledge strongly affect the degree of overconfidence. Individuals frequently think they would make the best decisions when more knowledge becomes accessible (Zacharakis, Andrew L., and Dean A. Shepherd, 2001). Overconfidence bias leads many mistakes in making suitable decisions since it makes people overestimate their own abilities and underestimate other people, the complexity of a project, or potential dangers (Johnson, Dominic DP, and James H. Fowler, 2011).

Herding

Herding is the synchronization of opinions or actions among members of a group (Kameda, Tatsuya, et al, 2014). It is a natural human instinct to monitor and replicate the behaviors of others during the unpredictable state of the financial system (Yu, Haihong, et al, 2018). Herding was associated with market efficiency positively while being adversely connected to economic uncertainty (Chiang, Thomas Chinan, et al, 2013). Herding bias exists as a pricing potential cause in huge equities, but not in smaller businesses because of decreased trading activity (Chauhan, Yash, et al, 2020). Banerjee and Abhijit V (1992) define herding as "human beings are performing actions what other individuals are performing despite the fact that their personal information is conducting other actions". The sort of information individuals receive, whether financial or nonfinancial, influences their herding tendency (Sitinjak, Elizabeth Lucky Maretha, and Imam

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Ghozali, 2012). According to Ouarda, Moatemri, Abdelfatteh El Bouri, and Olivero Bernard (2013), herding assumes that organizational financial experts are individual traders with the ability to influence the range of groups on the target market. The occurrence of herding impact is particularly pronounced at periods of financial difficulty, such as market abnormalities, price bubbles, and misinformation (Mertzanis, Charilaos, and Noha Allam, 2018). Herding often develops with the prospect of global recession and diminishes soon before the actual incident of the problem (Poshakwale, Sunil, and Anandadeep Mandal, 2014). Drehmann et al. (2005) used an online experimental method in order to evaluate herding effects and contrarian tendency in financial marketplaces. In this trial, 264 experts from foreign firms took part. They discovered that flexible market pricing avoids herding tendency and contrarian conduct, both of which are rationalized by error models and distort values.

Representativeness

Representativeness is defined as a level of correlation among an individual and a group of people a situation and a group of events, a performance and a performer, or, more broadly, between a result and an illustration (Gilovich, Thomas, Dale Griffin, and Daniel Kahneman, eds, 2002). According to Ariyabuddhiphongs and Vanchai (2011), representative bias encourages stereotype thinking model, which could result in incorrect assumptions because only previous observations are highlighted, other aspects and relevant facts are not considered. Therefore, representative bias demonstrates the probability that A in the past relates to B or C in the future. For instance, executives evaluate an event's likelihood based on how similar it is to previous incidents (Chang, Kuo-Hwa, et al, 2015). Kirs, Peeter J., Kurt Pflughoeft, and Galen Kroeck (2001) argue that individuals tend to place greater emphasis concerning data that is obvious and attempt to link that data with the achievement or failure of a business while neglecting other elements that may be of greater importance when making an informed decision.

Loss Aversion

Loss aversion is a psychological tendency of individuals to react more emotionally to losses in property than gains, which could easily happen in both non-risky and risky deciosns (Thaler, Richard H., et al, 1997; Tversky, Amos, 1979). Loss aversion is getting more attention in financial research (Schmidt, Ulrich, and Horst Zank, 2005). Loss aversion illustrates the outcome of not wanting to lose what individuals currently possess (Kahneman, Daniel, Jack L. Knetsch, and Richard H. Thaler, 1991) since some people believe that losses are more troubling and brings only disadvantages to them, not considering other expected benefits of losses (Imas, Alex, Sally Sadoff, and Anya Samek, 2017). Kahneman and Tversky (1979) state that people would have loss aversion bias if they participate in 50-50 odds. For instance, between a 50% likelihood to earn $30 and 50% probability of losing $30, participants prefer avoiding 50% probability of losing $30, even though these two options can make the anticipated profit (Hadlaczky, Gergö, et al, 2018). According to Thaler, Richard H., and Eric J. Johnson (1990), individuals are especially more opposed to the possibility of upcoming losses when they just suffered from a loss

Research conducted by Harbaugh, William T., Kate Krause, and Lise Vesterlund (2002) discovered the existence of loss aversion in infants, suggesting that loss aversion is a crucial and permanent tendency. Odean and Terrance (1998) began their investigation through examination of trading data from 10,000 customers at a sizable trading company. According to their research, people who managed their investment

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portfolios exhibited loss aversion bias that researchers have observed in the laboratory. Beisswanger, Amy H., et al (2003) found that individuals who make their own decisions become more susceptible to unfavorable consequences, such as losses, since they provide more favorable explanations for their decisions than those made by others.

Familiarity

The definition of familiarity is an amount of understanding or expertise that an individual has with relation to a job or item" (Gigerenzer, G., P. M. Todd, and ABC Research Group, 1999). When confronted with two options, most people will choose the one with which they are most familiar (Fox, Craig R., and Amos Tversky, 1995). Inside the risk domain, familiarity bias refers to a habit or attitude that modifies an individual's view. When people evaluate dangerous behaviors and hazardous occupations for behavioral psychology research, the findings demonstrate that individuals feel less anxious and afraid of dangers when they are intimately used to a particular event (Ricciardi, Victor, 2008). Research by Massa, Massimo, and Andrei Simonov (2006) shows that individuals have a greater incentive to engage in the shares of firms for which they employ, and they are additionally more inclined to take part in the stock of organizations situated nearby

Huberman and Gur (2001) stated that individuals simply choose to engage in brands that are recognizable to them due to their preference for the relevant and their aversion or uncertainty of the unknown Since these equities are recognizable to individual investors, they invest in these stocks excessively, resulting in insufficient investment and mediocre and maybe even terrible results (Barber, Brad M., and Terrance Odean, 2013). When individuals restrict their investing strategy to only equities that they are familiar with, they may miss out on greater returns and fewer dangers that are accessible in other unknown assets (Boyle, Phelim, et al, 2012). The apparent rational expectation advantages from variety are significantly reduced by familiarity bias (Cao, H. Henry, et al, 2011).

Hypothesis Development

Overconfidence and Investment Decisions of Individual Investors on The Hose Stock Exchange

Overconfidence is known as the behavior of investors to overrate the accuracy of their understanding about the value of stock exchange. Investors that are overconfident may become optimistic about the possible consequences of their financial choices (Tekçe, Bülent, and Neslihan Yılmaz, 2015) and ensure that any investment knowledge they believe are totally true (Moore, Don A., and Paul J. Healy, 2008). Moreover, overconfidence bias can increase how other investors perceive one's skills, which could lead to a quicker advancement and a longer investment period (Dittrich, Dennis AV, Werner Güth, and Boris Maciejovsky, 2005). When investors exhibit this prejudice, they start investing extensively and energetically because they are becoming overconfident in their own skills, expertise, and projections for what is to come (Odean, Terrance, 1998). When traders become overconfident, they suffer from greater risks readily and make illogical investing decisions based on their personal views rather than weighing all the available material carefully; as a result, their investment portfolio is mostly undiversified (Qasim, Muhammad, et al, 2019; Odean, Terrance, 1998).

According to the research of Barber and Odean (1999), every trader with high levels of belief in their trading abilities frequently engage in a significant amount of trading in order to achieve greater returns, which has a

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detrimental impact on their investment results and finally make a significant loss. Glaser, Markus, and Martin Weber (2007) investigated the effect of becoming overconfident on the quantity of trading by employing a survey approach and inviting 3,000 investors to participate in the survey, which indicated that overconfidence makes investors to trade frequently. Overconfident traders easily fail to achieve higher earnings on their assets (Baker, H. Kent, and Victor Ricciardi, 2014). Overconfidence bias makes investors prioritize their private information rather than concentrating on public information. Investors with too much confidence wrongly believe that their capacity to select winning shares can lead to the gains of stock exchanges, which lowers risk perception (Chuang, Wen-I., and Bong-Soo Lee, 2006). Chen, Gongmeng, et al (2007) examined the effects of overconfidence tendency through the process of making decisions of new market investors by gathering trading information from 74,960 Chinese investment accounts in China. The finding indicated that overconfidence bias makes Chinese investors perform terrible trading activities.

Dittrich, Güth, and Maciejovsky (2001) started their experiments about risky assets with 149 participants and found that almost two-thirds of the respondents had an overconfidence tendency. They additionally discovered that investors who suffer from revenue loss on investments tend to become increasingly confident. Their research also found that confidence could be divided into various forms and contribute to greater tenacity since confidence is playing a key role in achievements. Although confidence could not become the only component in accomplishment, it is typically praised and supported. However, becoming overconfident was generally viewed as a disadvantage. In other instances, investors engaged in extreme trading while exaggerating their understanding and experiences.

The following hypothesis was developed to investigate the effect of overconfidence in the application of investment decisions of individual investors

H1: Overconfidence has a significant influence on investment decisions of individual investors on the HOSE stock exchange

Herding and Investment Decisions of Individual Investors on The Hose Stock Exchange

In the absence of herding, particular traders do not behave rationally in their investment decisions, but rather limit their choices and imitate the principles and views of other investors when making their investment decisions since it is considered that the assessments made by a lot of people are constantly accurate (Madaan, Geetika, and Sanjeet Singh, 2019). Traders' frequently depends on the combined assessments of other individuals and prevents them from making choices regarding investments alone in order to reduce dangers (Bakar, Suzaida, and Amelia Ng Chui Yi, 2016). The use of the identical investment techniques among individual investors arises as a result of the gathering of identical or comparable information, on which investors build investment decisions based on herding tendencies (Hirshleifer, Subrahmanyam, and Titman, 1994). Therefore, the group is an example of herding tendency where people purchase and trade specific stocks at the exact period (Xu, Yexiao, Gongmeng Chen, and Oliver M. Rui, 2004). Schmeling (2009) employs individuality and uncertainty avoidance as measures for herding behavior and overreacting, and has found that investment decisions have a large impact on stock returns in nations where herding behavior or overreaction is more prevalent.

The study of Waweru et al. (2008) pointed out that stock trading can be influenced and momentum is generated by herding effect. After herding hits a certain degree, the expense of following the herd may rise

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in order to obtain the growing unexpected results. Stock investment decisions can influence an investor: buying, selling, stock selection, the duration to hold shares, and quantity of stock to exchange. Buying or selling options of particular traders are heavily influenced by the decisions of others, and herding tendency assists traders in establishing a feeling of regret aversion for their decisions. According to Odean (1999), individual investors prefer to buy rather than sell equities that see larger price swings. Investors may regard a change in share value as an interest incident in the marketplace in this aspect. Furthermore, Caparrelli (2004) argues that when price fluctuations occur, herding impact influences traders when following in the footsteps of others.

Christie and Huang (1995) investigated market participants' investor behavior in the US equity market. They established an experiment of herding behavior by using CSSD (cross-sectional standard deviation of returns) as an assessment of the ordinary closeness of personal stock profits to the noticed market rate. They concentrated on the conduct of CSSD under different market circumstances. They claimed that if market participants restrict their own asset values projections during cycles of huge market movements and platform their investment decisions primarily on accumulated market activity, specific investment earnings would not deviate significantly from the total industry return, resulting in a CSSD that is less than average.

When investors invest a substantial sum of money, they typically imitate the activities of others in order to mitigate risks, at least in their minds. Furthermore, the preference for herding varies depending on the kind of investor. A specific illustration is that individual traders are more likely than institutional traders to follow the majority in generating investing choices (Goodfellow, Christiane, Martin T. Bohl, and Bartosz Gebka, 2009).

The following hypothesis was developed to investigate the effect of herding in the application of investment decisions of individual investors

H2: Herding has a significant influence on investment decisions of individual investors on the HOSE stock exchange

Representativeness and Investment Decisions of Individual Investors on The Hose Stock Exchange

Traders have an inclination to judge an investment as either positive or negative depending on how it has performed recently. As a result, they disregard equities while their costs are under their inherent valuations and purchase them once their costs have increased in the expectation that they will keep on going up (Kahneman, Daniel, and Amos Tversky, 1972). According to Kaestner 1 and Michael (2006), identical data could be considered as a perfect structure for investment strategies, leading individuals to overestimate the potentials of a company and provide greater importance to recent developments about an organization. By using the data that is given about the firm and its stocks, such as its leadership style, current cash flows, corporate image, and price proportions, investors choose shares of businesses with strong past performance (Chen, Gongmeng, et al, 2007). De Bondt, Werner PM (1993) found that traders are more likely to make investments in winning stocks since they make predictions about potential gains based on historical data.

Research by Dhar, Ravi, and Alok Kumar (2001) showed that investors frequently invest in equities with large unexpected profits in recent history, and they select these companies for future returns due to the representativeness prejudice. Dhar, Ravi, and Alok Kumar (2001) examined the trading patterns of shares purchased by over 62,000 individuals at a reduction in brokerage throughout a period of five years. They

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discovered that traders prefer to purchase equities that have currently experienced some favorable anomalous earnings, which is in accordance with the belief that the trading pattern of previous years represents the pricing pattern of the coming years. According to Kim, Do-Woo, and Byun (2011), traders, who are subject to representative prejudice, mistakenly believe that only a small portion of the general public represents the entire population, disregarding the size of the sample.

Irshad, Shoaib, Waqar Badshah, and Usman Hakam (2016) started their experiment to discover the influence of representativeness on the process of making investment decisions in the Islamabad Stock Exchange. The data was collected by using a regression analysis through a sample size of 120. The findings of this research demonstrate that the Islamabad Stock Exchange's representativeness tendency made an impact on traders. Traders on the Islamabad Stock Exchange made investments with an inclination toward representativeness and used historical performance as an indicator of potential outcomes.

The following hypothesis was developed to investigate the effect of representativeness in the application of investment decisions of individual investors

H3: Representativeness has a significant influence on investment decisions of individual investors on the HOSE stock exchange

Loss Aversion and Investment Decisions of Individual Investors on The Hose Stock Exchange

Loss aversion bias is the behavior of investors to prevent losses and prefer making profits (Tversky, Amos, and Daniel Kahneman, 1973; Barber, Brad M., and Terrance Odean, 2013). As explained by James and Montier (2022), investors are highly reactive to losses than potential dangers and gains. Khan and Mir Zat Ullah (2017) state that investors with loss aversion bias are increasingly concerned with protecting their declining wealth and their anxiety of losing money instead of increasing investment profits since they underestimate how rapidly these adjustments will affect them when facing losses from investment. Kahneman, Daniel, Jack L. Knetsch, and Richard H. Thaler (1991) argue that this loss aversion tendency results from a shortage of self-assurance, insufficient information, and inadequate actual experiences of trading stocks Even though there are several greater investment opportunities, loss aversion bias would make traders become hesitant and miss a good period to make effective investments (Imas, Alex, Sally Sadoff, and Anya Samek, 2017).

Ert, Eyal, and Ido Erev (2013) carried out a research study about investment decisions under risk. The findings of the study demonstrated that when faced with a decision between gain and loss, individuals were mostly affected by loss aversion tendency; however, when an option was only gain, they did not exhibit loss aversion prejudice. Mahina, Jacob Niyoyita, Willy M. Muturi, and Florence S. Memba (2014) examined the impact of loss aversion tendency on the process of decision investment decisions at the Rwanda stock exchange through a sample survey of 13,543 individual investors. The results supported the assumption that traders with a loss aversion bias would avoid any transaction that might result in financial losses. Based on their research, they came to the conclusion that loss aversion tendency exists among traders and has a significant impact on how individual investors make decisions. The research also concluded that a number of stock exchange traders are typically regretful about maintaining losing stocks for a longer period of time than selling winning stocks since they become depressed when they lose money.

H4: Loss aversion has a significant influence on investment decisions of individual investors on the HOSE

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stock exchange.

Familiarity and Investment Decisions of Individual Investors on The Hose Stock Exchange

Barberis, Nicholas, and Richard Thaler (2003) define familiarity bias as the individual investors' tendency for investing in the stocks of the businesses with which they are acquainted. Individual investors want to purchase shares of businesses about which they are more knowledgeable while frequently neglecting portfolio theory fundamentals (Frieder, Laura, and Avanidhar Subrahmanyam, 2005). Substantial study about the impact of familiarity effect on how to come up with investment options (Baker & Nofsinger, 2002; Huberman, 2001) has been undertaken in numerous nations and provides sufficient evidence that this specific bias is prevalent when individual investment makes investment decisions. Individual investors simply choose to invest in assets that are recognizable to them due to their preference for the familiar and their aversion or concern of the unfamiliar (Huberman, 2001).

Massa, Massimo, and Andrei Simonov (2005) expose that there are several reasons why familiarity tendency is important in investment options. There is the personal or regional familiarity reasoning, which means individual traders have a greater incentive to invest in the stock of firms for which they operate. They are more likely to make investments in some close company stocks. Instead of having an effective portfolio, investors typically invest an important part of their capital portfolio in just a few securities, frequently ones with which they are already familiar. When investors restrict their investing strategy to only stocks that they are familiar with, they may miss out on greater returns and reduced risks offered by other new assets. As a result of this high preference for familiar stocks, diversified portfolio suffers (Boyle, Phelim, et al, 2012).

Baker & Nofsinger (2002) mentioned another explanation for familiarity bias is asymmetric information, which indicates that individual traders may decide to make investments in familiar products mainly because they have more details about them. While dealing with unknown assets, individual investors are susceptible to asymmetric information. These information gaps are important, especially when contemplating overseas stock investments. Besides the advantages and returns of international diversification, research shows that individual investors are more interested in local resources with which they are better familiar. Local and home bias refers to investors' preferences for domestic assets over overseas ones. Several research have indicated that neighborhood bias may be a sensible reaction to improved information and expertise regarding familiar resources

The following hypothesis was developed to investigate the effect of familiarity in the application of investment decisions of individual investors

H5: Familiarity has a significant influence on investment decisions of individual investors on the HOSE stock exchange

Research Methodology

Research Design

Research design is defined as a framework or strategy, which is built expressly to solve the research questions while also controlling variations (Dulock, & Helen, 1993). The fundamental goal of every research is to answer every research question or evaluate every research hypothesis. The researchers need to add assumptions about known facts to the study design selection process. In addition, methods of investigations that would provide particular direction for techniques in a research methodology operate at a more applied

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level (Creswell, John, & Poth, 2016)

This research will use a quantitative method to figure out aspects impacting investment options of personal traders on the Vietnamese stock market. Quantitative research is defined as the systematic study of a phenomenon using observable data and analytical, scientific, or technological methodologies (Apuke, & Destiny 2017). Quantitative research includes a problem statement, a hypothesis, research questions, a review of relevant literature, and a quantitative approach (Williams, 2011). Quantitative researchers must look for answers and estimate that will influence other people and locations for the purpose of building assumptions and construct, verify, and evaluate linkages that contribute to theory (Leedy, & Ormrod, 2019).

Research Approach

To achieve a certain sample size, data must be collected through an online platform as well as some additional local places. To collect data through an online network, Google Form was used to gather responses from participants. The researcher could then gather information from the "View Response" section after distributing the online questionnaire through the use of social media or email. To collect data through local places, it is necessary to interview individuals who are investors, or used to invest on HOSE stock exchange. The respondents include people with different jobs, or students from different universities in Ho Chi Minh City

Sample, Sampling Method and Data Collection

Since the research topic covers the investment options of traders on HOSE, it is a must to collect data from who are investors on HOSE to ensure the quality of the data. Due to a lack of funds and time, we are unable to conduct the survey over the full population. Fortunately, we can use the convenience sampling to make broad generalizations about the overall population in Ho Chi Minh City by selecting a portion of the total. Furthermore, this collection is diverse with numerous demographic segmentation approaches in order to empirically determine the main considerations that influence investment determinations of individual traders on the Vietnamese stock market, as suggested by overconfidence, herding, representativeness, loss aversion, and familiarity.

A sample size of at least 300 individuals is required, and each variable evaluated to component evaluation ought to include at least 5 to 10 findings. Because a bigger sample size reduces data error, EFA performs better with bigger numbers of samples (Comrey, Andrew L., and Howard B. Lee, 2013). To guarantee the accuracy of the variables, scientists must carry out an investigation with a significant sample at a precise moment in time (Yong, An Gie, and Sean Pearce, 2013). Therefore, the sample size of 330 is a good result for the research study

In this study, the survey questions will be given to the participants by using paper and Google Forms. The survey was made available on the internet since it is a simple, quick, and fee way to get replies from people. Some reference sources, such as academic books, economic journals, and marketing news from well-known publishers, were also used in the literature review. In this research project, a Likert Scale five-point measure, including five levels between agreement and disagreement, is used. Likert scale is a scientific scale format that is commonly used in surveys to determine participants' opinions or level of approval of an assertion or collection of assertions. People, who take part in this survey, are required to score their level of agreement or disagreement on each of these five measures (Bertram, Dane, 2007). The questionnaire survey was designed

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using multiple-choice questions to collect individual information of participants. The questionnaire survey includes gender, income, marriage status, academic status, and investment experiences

Variable Measurement

In the current study, overconfidence is evaluated using the scales with six items designed by Alrabadi et. al. (2018) and Metawa, Noura, et al (2019). Herding is assessed by seven items from Kengatharan et. al., (2014), Alrabadi et. al., (2018), Representativeness is measured by six items adapted from Alrabadi et. al., (2018), Adiputra, I. Gede, (2021), and Kang et al. (2013). Loss aversion is measured by six items adapted from Alrabadi et. al., (2018), Ainia et. al.,(2019). Familiarity is measured by eight items developed by Shapiro and Kratochwill, (1988) and Lee and Seong, (2020).

Data Analysis Method

The present study firstly utilizes SPSS to analyze the collected data. The contents of the analysis will be divided into descriptive statistics, reliability, validity, correlation, and AMOS model testing. A two-step strategy in SEM was used with SPSS software to examine the data using AMOS. Cronbach's Alpha was also applied to verify the validity and reliability of the data. In addition, we used EFA in order to determine the number of components, which could explain the most variance in the data. Finally, CFA was used in order to validate the measures.

Conclusion

Behavioral finance has a crucial influence on investors' decisions for determining stock exchanges, which ultimately impact the economy. The main purpose of the current study is to develop a research framework for examining what behavioral finance factors influencing the decision of individual investors on Ho Chi Minh City Stock Exchange and how these factors affect the investors' investment strategies. In the present study, the investors on HOSE are approached to gather the necessary data. Both online and offline survey are carried out collect the data. The gathered data will then be processed and analyzed using the two software packages namely SPSS and AMOS to determine the behavioral finance factors that have impact on the investment decisions of the individual investors.

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ORGANIZATIONS AND AGENCIES CONTRIBUTE IN PROMOTING COMMUNITY WELL-BEING

Dr. Radhika Kapur

Abstract

The organizations are agencies are developed with the main objective of promoting well-being of the community members. In order to achieve this objectives, there are various tasks and activities that are put into operation by the individuals. In other words, the organizations and agencies have a goal to achieve. The members of the organizations and agencies, irrespective of their job positions in the hierarchy need to be well-equipped in terms of their job duties and responsibilities. Furthermore, they need to be well-versed in terms of various types of methods and procedure. In the present existence, when the individuals aim to be successful, they need to be informative in terms of pioneering methods. The utilization of these methods will enable the individuals to do well in their job duties and to generate the desired outcomes. When the members of the organization are putting into practice their job duties, they need to ensure, they promote community well-being and up-grade the overall structure of the organization as well. Therefore, one is able to understand that organizations and agencies contribute in promoting community well-being. The main concepts that are taken into account in this research paper are, factors promoting overall functioning of the organizations and agencies in a well-organized manner, organizations and agencies contribute in a significant manner in promoting community well-being and ways to promote the functioning of the organizations and agencies in a satisfactory manner.

Keywords: Agencies, Community Well-being, Functioning, Information, Organizations, Structure, Up-gradation

Organization is referred to the group of individuals, who form a club with the main objective of achieving a common purpose. Organizations are also known as the activities of making preparations or arrangements. The organizations are of various types. On the other hand, agency is referred to the group of individuals that perform a particular task or provide help to others in some way (Williams, 2021). When the individuals are conducting research on organizations, they find out that efforts are to be put to form organizations and agencies. They are formed with the main objective of achieving a goal. There are various goals that the organizations and agencies are focused upon achieving. Hence, in order to achieve desired goals, they need to put in efforts to their best abilities. Furthermore, there are various factors that need to be taken into account, i.e. implementing the traits of morality and ethics, inculcating the traits of diligence, resourcefulness and conscientiousness and being well-equipped in terms of modern, scientific and innovative methods. In the present existence, with advancements taking place and with the advent of modernization and globalization, one needs to be well-versed in terms of these methods. When they are put into practice in an effective manner, one will contribute significantly in leading to up-gradation of the overall structure of the organizations and agencies.

Within the course of time, there is a need to bring about improvements in organizations and agencies (Agency, 2021). Developments and changes are regarded as professional fields of social actions. In all types of organizations and agencies, the members, irrespective of their positions in the hierarchy need to develop mutual understanding. They need to work in co-ordination and integration with each other. Human resources are regarded as the assets. They need to make use of their educational qualifications, competencies and abilities to put into practice their job duties in an effective manner. When the job duties are done well, they will please their employers, lead to up-gradation of the overall structure of the organizations and incur the feeling of job satisfaction. It is of utmost significance for the individuals to incur the feeling of job satisfaction. This feeling will enable the individuals to develop motivation and form positive viewpoints in terms of various aspects of their job duties. The employees and the leaders need to be well-equipped in terms of ways to cope with various types of problems and challenges in a well-ordered manner. Furthermore one needs to possess the abilities to work under stress. All the members need to focus upon leading to up-gradation of overall structure of the organizations and agencies throughout their jobs.

In organizations and agencies, the individuals are required to put into operation the managerial functions of planning, organizing, staffing, directing, leading, co-ordinating and controlling in an appropriate member. When these are focused upon in promoting community well-being or achievement of desired goals and objectives, the implementation of managerial functions is regarded to be of utmost significance. The individuals in leadership positions are vested with the authority and responsibility of implementing these functions, but they need to work in co-ordination with the other members as well. In all types of organizations and agencies, the members, irrespective of their positions in the hierarchy need to focus upon formation of an amiable and pleasant working environment.

The employees are different from each other in terms of number of factors. But they should be provided with equal rights and opportunities and there should not be any form of discrimination among them. The leaders are required to create a working environment in such a manner, where employees are able to concentrate better on their job duties. In the working environmental conditions, there should be provision of infrastructure, amenities and facilities. Therefore, when all these factors are taken into account, members will contribute in leading to overall functioning of the organizations and agencies in an appropriate manner.

Factors Promoting overall functioning of the Organizations and Agencies in a Well-organized Manner

The organizations and agencies are of various types. These are, schools, colleges, universities, training centres, production organizations, manufacturing organizations, service organizations, non-government organizations, and so forth (Types of Organizations, 2021). In all types of organizations and agencies, there are laws, rules, policies and norms. All the members need to abide by them in order to carry out their job duties in a well-ordered manner, achieve the desired goals and lead to up-gradation of the overall structure of the organizations and agencies. In the present existence, when the individuals are to bring about changes or make improvements in any aspects of the organization or agency, they need to make use of modern, scientific and innovative methods. All the members should have the primary aim of doing well in their job

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duties and leading to up-gradation of the overall structure of the organization. Hence, they need to be well-equipped in terms of factors promoting overall functioning of the organizations and agencies in a well-organized manner. These are stated as follows:

Formulating Laws and Rules in an Appropriate Manner

In all types of organizations and agencies, the individuals in leadership positions need to ensure, they formulate laws and rules in an appropriate manner. The laws and rules need to ensure that overall functioning of the organizations and agencies takes place in a well-organized manner. These are related to job duties, goals and objectives, timings, dealing and working with others, grievance redresser procedures, utilization of materials, equipment and resources, providing promotional opportunities, and so forth. In all types of organizations and agencies, all the members need to abide by them. When these are followed on a regular basis, members will be able to carry out their job duties in a well-ordered manner, achieve the desired goals and lead to up-gradation of the overall structure of the organizations and agencies. Furthermore, they will be able to incur the feeling of job satisfaction and retain their jobs. Therefore, formulating laws and rules in an appropriate manner is a factor promoting overall functioning of the organizations and agencies in a well-organized manner. This has been put into operation by the individuals on a comprehensive basis.

Implementation of Managerial Functions

In organizations and agencies, the individuals are required to put into operation the managerial functions of planning, organizing, staffing, directing, leading, co-ordinating and controlling in an appropriate member. These functions are regarded as the key to do well in one's job duties and to generate the desired outcomes. The meaning and significance of these functions is recognized in implementation of job duties and achievement of goals and objectives. The implementation of these functions in an appropriate manner will lead to overall functioning of the organizations and agencies. These are focused upon in promoting community well-being as well as in the achievement of desired goals and objectives. The implementation of managerial functions is regarded to be of utmost significance. The individuals in leadership positions are vested with the authority and responsibility of implementing these functions, but they need to work in co-ordination with the other members as well. Therefore, implementation of managerial functions is a factor promoting overall functioning of the organizations and agencies in a well-organized manner. These are put into practice by the leaders as well as the other members.

Honing Leadership Skills

The directors, heads, chairpersons, managing directors, principals, managers and supervisors and instructors are the individuals in leadership positions. These individuals are required to hone their leadership skills. These skills will contribute significantly in doing well in one's jobs, generating the desired outcomes and promoting well-being and goodwill. It is the job of the leaders to guide their subordinates in the right direction; provide solutions to their problems; possess an approachable nature and an amiable attitude; manage resources in a well-ordered manner; provide equal rights and opportunities to all the subordinates;

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implement peaceful conflict resolution methods; promote teamwork; augment training and development programs; make use of modern, scientific and innovative methods in the implementation of job duties and form an amiable and pleasant working environment. When they focus upon these factors, they will be able to not only hone leadership skills, but will also render an important contribution in achieving organizational goals. Therefore, honing leadership skills is a factor promoting overall functioning of the organizations and agencies in a well-organized manner. These need to be focused upon by the leaders throughout their jobs in promoting well-being and goodwill.

Managing Resources in a Well-ordered Manner

In organizations and agencies, the individuals are required to manage resources in a well-ordered manner. The various types of resources that need to be managed are, financial, human, technical and material. Financial resources are the monetary resources. Human resources are the personnel, they need to make use of their knowledge, skills and abilities in the implementation of job duties. Technical resources are the various types of technologies that are made use of. Material resources are the tools, machines, devices and equipment. These resources need to be managed and utilized in an appropriate manner by all the members. All these resources are regarded as central in the implementation of job duties and achievement of goals and objectives. The management of these resources in an appropriate manner will lead to overall functioning of the organizations and agencies. Therefore, manage resources in a well-ordered manner is a factor promoting overall functioning of the organizations and agencies in a well-organized manner. This is considered to be of utmost significance by all the members to do well in one's jobs and to generate the desired outcomes.

Providing Equal Rights and Opportunities to All

In all types of organizations and agencies, the members, particularly the ones in leadership positions need to ensure, equal rights and opportunities are provided to all. The employees in employment settings and students in educational institutions are different from each other in terms of number of factors. These are, caste, creed, race, religion, ethnicity, cultures, personality traits, age, gender and socio-economic background. They should be provided with equal rights and opportunities and there should not be any form of discrimination among them. When the members are to bring about changes or make improvements in any aspects of the organization, they need to provide rights and opportunities to the employees or students to express their viewpoints. In this manner, they will develop motivation towards the implementation of job duties and achievement of professional goals. Therefore, providing equal rights and opportunities to all is a factor promoting overall functioning of the organizations and agencies in a well-organized manner. This is considered as indispensable by the members, particularly when they are determined to lead to up-gradation of the overall structure of the organizations and agencies.

Implementing Peaceful Conflict Resolution Methods

In some cases, there are occurrence of conflicts and disagreements among members. These may take place over trivial or major issues within the workplace. But all the members need to implement peaceful

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conflict resolution methods. In the implementation of these methods in an effective manner, one need to augment their listening skills. Both individuals and parties need to communicate with each other in a polite and decent manner, listen to each other's viewpoints and come to a conclusion in a peaceful manner. Furthermore, they will facilitate in the formation of peaceful and cordial terms and relationships with others. In order to provide solutions to various types of problems, incur the feeling of job satisfaction and retain one's job, it is of utmost significance to form cordial and sociable terms and relationships with others. Therefore, implementing peaceful conflict resolution methods is a factor promoting overall functioning of the organizations and agencies in a well-organized manner. This is considered as indispensable by the members, particularly when they need support and assistance from each other in exchanging viewpoints and providing solutions to problems.

Promoting Teamwork

It is apparently understood, one cannot carry out their tasks and activities in seclusion. Particularly when the job duties are tedious, one needs to obtain support and assistance from each other (McNamara, n.d.). The individuals in leadership positions usually encourage teamwork. They are of the viewpoint that when the individuals are working in a team, they will be able to benefit to a major extent. The team can be of two or more individuals. Through promoting teamwork, the individuals will provide solutions to various types of problems, incur the feeling of job satisfaction, retain one's job, form cordial and sociable terms and relationships with others, lead to an increase in productivity and profitability and lead to up-gradation of the overall structure of the organization. Hence, in all types of organizations and agencies, the individuals acknowledge the meaning and significance of promoting teamwork. Therefore, promoting teamwork methods is a factor promoting overall functioning of the organizations and agencies in a well-organized manner. This is considered as crucial by the members not only in doing well in their job duties but also in alleviating work pressure.

Augmenting Training and Development Programs

When the individuals get recruited in organizations and agencies, they need to get enrolled in training and development programs. The main objective of these programs is to make provision of knowledge among individuals in terms of various aspects of the organizations and agencies. These are, history, personnel, departments, job duties, goals and objectives, infrastructure, materials, resources, working environmental conditions and overall structure of the organizations and agencies. Within the course of implementation of job duties as well, the individuals get enrolled in these programs. When one needs to augment their knowledge and understanding in terms of modern, scientific and innovative methods, one gets enrolled in these programs. The recruitment of well-qualified and competent instructors will prove to be effective and meaningful in leading to up-gradation of training and development programs. They need to make use of modern, scientific and innovative teaching-learning methods, instructional strategies and teaching-learning materials. Therefore, augmenting training and development programs is a factor promoting overall functioning of the organizations and agencies in a well-organized manner. As these render an important contribution in up-grading knowledge and understanding among individuals.

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Making use of Modern, Scientific and Innovative Methods

When the individuals are to bring about changes or make improvements in any aspects of the organization or agency, they need to make use of modern, scientific and innovative methods. All the members should have the primary aim of doing well in their job duties and leading to up-gradation of the overall structure of the organization. When they are determined towards achievement of desired goals and objectives, they need to be well-equipped in terms of various types of modern, scientific and innovative methods. These are, technologies, graphs, charts, structures, pictures, images, models, designs and so forth. These need to be managed well and made use of in an appropriate manner in the implementation of tasks and activities. The utilization of these methods will prove to be enriching in doing well in one's job duties, achieving professional goals and leading to up-gradation of the overall structure of the organizations and agencies. Therefore, making use of modern, scientific and innovative methods is regarded as one of the crucial factors in promoting overall functioning of the organizations and agencies in a well-organized manner.

Forming an Amiable and Pleasant Working Environment

In the formation of an amiable and pleasant working environment, there are various aspects that need to be taken into account by the individuals, irrespective of their job positions in the hierarchy. These are, doing well in one's jobs; generating the desired outcomes; promoting well-being and goodwill; augmenting skills and abilities; making wise and productive decisions; implementing time management skills; inculcating the traits of honesty, righteousness and truthfulness; providing solutions to problems; possessing an approachable nature and an amiable attitude; managing resources in a well-ordered manner; providing equal rights and opportunities to all; implementing peaceful conflict resolution methods; promoting teamwork; augmenting training and development programs; making use of modern, scientific and innovative methods in the implementation of job duties and developing mutual understanding with each other. All the members need to implement these aspects throughout their jobs. Since they are adults, they are normally well-aware in terms of all these aspects and implement them in their jobs. Therefore, forming an amiable and pleasant working environment is regarded as one of the vital factors in promoting overall functioning of the organizations and agencies in a well-organized manner.

Organizations and Agencies contribute in a Significant Manner in Promoting Community Well-being

The research studies conducted on organizations and agencies have specified that these are of various types. Some of them are, schools, colleges, universities, training centres, production organizations, manufacturing organizations, service organizations, non-government organizations, and so forth. In the present existence, the individuals, belonging to all communities, categories and backgrounds have recognized the meaning and significance of education. Hence, they are getting enrolled in educational institutions and training centres. These are not only imparting information to the individuals in terms of academic subjects and lesson plans, but they are facilitating in leading to their effective growth and development. Hence, one is able to understand that all types of educational institutions such as, schools,

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colleges, universities, training centres are rendering an important contribution in leading to effective growth and development of the individuals. Therefore, individuals belonging to all communities, categories and backgrounds understand that organizations and agencies contribute in a significant manner in promoting community well-being.

Production organizations and manufacturing organizations are the ones that are engaged in the production and manufacturing of goods and services. In order to fulfil all needs and requirements, it is apparently understood that individuals need to make use of various types of products and services. When these organizations make provision of services and products in an efficient manner and the quality is good, they are rendering an important contribution in promoting community well-being. Furthermore, the individuals are able to incur the feelings of pleasure and contentment. When the customers are overwhelmed by any types of problems, the individuals need to make provision of solutions to them in an effective manner. Within the course of time, there is a need to bring about changes or make improvements in any aspects of the organization or agency. For this purpose, one needs to make use of modern, scientific and innovative methods. All the members of the organization or agency should have the primary aim of doing well in their job duties and leading to up-gradation of the overall structure. Therefore, individuals employed in production and manufacturing organizations understand that organizations and agencies contribute in a significant manner in promoting community well-being.

Service organizations and non-government organizations are the ones that are focused upon making provision of services to the individuals (Functions of Advertising Agency, 2021). In India, in urban and rural communities, there are individuals, belonging to deprived, marginalized and socio-economically backward sections of the society. These individuals, belonging to all age groups are overwhelmed by various types of societal problems, i.e. poverty, illiteracy, unemployment, homelessness, and crime and violence. Hence, the human resources that are employed in service and non-government organizations make use of their educational qualifications, competencies and abilities to provide solutions to their problems and promote their well-being. These organizations have put in efforts to their best abilities in promoting well-being of these individuals. All the members of the organization or agency should have the primary aim of promoting well-being and goodwill of the disadvantaged sections of the society, utilizing pioneering methods in their job duties and leading to up-gradation of the overall structure. Therefore, individuals employed in service and non-government organizations are able to understand in a well-ordered manner that organizations and agencies contribute in a significant manner in promoting community well-being.

Ways to Promote the Functioning of the Organizations and Agencies in a Satisfactory Manner

When the individuals are employed in various types of organizations and agencies, they not only have to be well-versed in terms of job duties and responsibilities, but they also are required to augment their knowledge and understanding in terms of ways to promote the functioning of the organizations and agencies in a satisfactory manner. The information in terms of them is acquired through conducting research and through communicating with others. These are, being well-equipped in terms of job duties and responsibilities; augmenting skills and abilities; utilizing technical and pioneering methods and leading to up-gradation of the overall structure. These are stated as follows:

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Being well-equipped in terms of Job Duties and Responsibilities

When the individuals are employed in any organization or agency, they need to be well-equipped in terms of various types of job duties and responsibilities. These are manageable as well as complicated. The training and development programs are considered as worthwhile in imparting information in terms of job duties and responsibilities. Furthermore, the individuals generate information in terms of methods and approaches that are necessary to carry them out in a well-ordered and satisfactory manner. The individuals in leadership positions are vested with the authority and responsibility to make provision of help and support to do well in them and in generating the desired outcomes. Therefore, being well-equipped in terms of job duties and responsibilities is a way to promote the functioning of the organizations and agencies in a satisfactory manner, which has proven to be beneficial to the individuals in incurring the feeling of job satisfaction and retaining their jobs.

Augmenting Skills and Abilities

The individuals need to focus upon augmenting skills and abilities throughout their jobs. The various types of skills that need to be honed are communication skills, leadership skills, analytical skills, creative skills, technical skills, critical thinking skills, problem-solving skills, presentation skills, personal skills, professional skills, time management skills, decision making skills and negotiation skills. Furthermore, one should possess the abilities to work under stress and cope with various types of problems in an effective manner. The individuals either work on their own or obtain help and support from the other individuals in augmenting these skills and abilities. Hence, when all the members will augment skills and abilities, they will contribute significantly in achieving desired goals and objectives. Therefore, augmenting skills and abilities is a way to promote the functioning of the organizations and agencies in a satisfactory manner, which needs to be focused upon by all the members throughout their jobs.

Utilizing Technical and Pioneering Methods

When the individuals are to bring about changes or make improvements in any aspects of the organization or agency, they need to make use of technical and pioneering methods. All the members should have the primary aim of doing well in their job duties and leading to up-gradation of the overall structure of the organization. When they are determined towards achievement of desired goals and objectives, they need to be well-equipped in terms of various types of technical and pioneering methods. These are, technologies, graphs, charts, structures, pictures, images, models, designs and so forth. These need to be utilized in accordance to various types of job duties and made use of in an appropriate manner in accordance to the overall structure of the organizations or agencies. Therefore, utilizing technical and pioneering methods is a way to promote the functioning of the organizations and agencies in a satisfactory manner, which has been taken into account in all types of organizations and agencies.

Leading to Up-gradation of the overall Structure

In leading to up-gradation of the overall structure, the various factors that need to be implemented

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are, doing well in one's jobs; generating the desired outcomes; promoting welfare and benevolence; augmenting talents and capabilities; making wise and productive decisions; implementing time management skills; inculcating the traits of trustworthiness, uprightness and reliability; providing solutions to problems; possessing an approachable nature and an amiable attitude; managing resources in a well-ordered manner; providing equal rights and opportunities to all; implementing peaceful conflict resolution methods; promoting teamwork; leading to up-gradation of training and development programs; making use of modern, scientific and innovative methods in the implementation of job duties and forming cordial and sociable terms and relationships with each other. All the members need to implement these aspects throughout their jobs. Therefore, leading to up-gradation of the overall structure is a way to promote the functioning of the organizations and agencies in a satisfactory manner, which has proven to be advantageous and meaningful to a major extent.

Conclusion

Organization is the group of individuals, who form a club with the main objective of achieving a common purpose. These are the activities of making preparations or arrangements. An agency is referred to the group of individuals who perform a particular job duty or provide assistance to others in some manner. Factors promoting overall functioning of the organizations and agencies in a well-organized manner are, formulating laws and rules in an appropriate manner, implementation of managerial functions, honing leadership skills, managing resources in a well-ordered manner, providing equal rights and opportunities to all, implementing peaceful conflict resolution methods, promoting teamwork, augmenting training and development programs, making use of modern, scientific and innovative methods and forming an amiable and pleasant working environment. Organizations and agencies contribute in a significant manner in promoting community well-being. Ways to promote the functioning of the organizations and agencies in a satisfactory manner are, being well-equipped in terms of job duties and responsibilities; augmenting skills and abilities; utilizing technical and pioneering methods and leading to up-gradation of the overall structure. Finally, it can be stated, when the functioning of organizations and agencies will take place in an appropriate manner, they will render an important contribution in promoting community well-being.

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AN INCLUSIVE MODEL OF EDUCATIONAL EXPENDITURE AND ECONOMIC DEVELOPMENT FOR ZIMBABWE

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Abstract
This study sought to determine an inclusive framework for education expenditure that enhances economic development for Zimbabwe. The study used the ARDL-ECM in the determination of the relationship between the two variables, using data for the period 1980 to 2021. Eviews Version 12.0 Statistical Package was used to run the regressions. Data were obtained from the International Monetary Fund and World Bank. For both the short-run and long-run periods, the study found an inverse relationship between expenditure on education and economic development in Zimbabwe. Guided by the Zimbabwe Education 5.0 Model, the study recommend that a stand-alone research budget be made available for the institutions of higher learning. It is, also true with the industry who expect the best from graduates to fund researches done by the institutions of higher learning. It follows, therefore, that the industry must have constant liaison with the institutions of higher learning, presenting challenges which they are facing for researches to be conducted with the view of proffering solutions. In fact, facilitators from the institutions of higher learning must be able to research on the needs of the economy, and impart knowledge on students, guided by the predetermined economic needs. It is, from the researches that the institutions would have conducted that would inform the content of teaching and community outreach. The students would then benefit from the researched teaching, thus, enabling them, and the facilitators to cause innovation and industrialisation.

Key Terms: Education Expenditure; Economic Growth; ARDL

1.0 Introduction

Government expenditure on education is considered to be significant for Zimbabwe, given its share on nations' budgets. Albeit the government expenditure on education, there seem to be little evidence to suggest positive connection with economic development. The reason for the claim being increased unemployment rate amongst the educated in Zimbabwe. In fact, theory has it that improved education has a positive and significant relationship with economic development. This relationship would then suggest improved standard of living. It is, from this background, that this paper seeks to determine the relationship between government expenditure on education and economic development for Zimbabwe, with the view of coming up with an inclusive model that links education to economic development.

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2.0 Background of the Study

2.1.1 A Brief Analysis of the SADC Education System

Studies on government expenditure on education have recently attracted much attention in emerging, and developed economies, however limited in developing economies. This emanates from the notion that higher education expenditure is a key driver of economic competitiveness and economic development. The point of departure being China, which consciously sought to foster capacities for higher level skills development, aligning them with her national economic strategy objectives. In a similar scenario with the Asian economies, Southern African Development Community (SADC) countries are spending more on education as a way to improve their human capital. Literature presented by the SADC (2017) posits that the region is spending on average, 23% their national budget on education, which is quite significant.

In fact, as if the SADC bloc had projected the shortcoming of the education system, given its implication on economic development, a number of policies were put in place to make the education system meaningful. During the year 1997, the SADC economies signed an education protocol addressing the quality and cohesion of education within the members' states. The protocol was addressing the need to develop the human resource capacity of the communities, in view of overcoming the difficulties facing individual economies in their attempt to build successful education systems. Despite the existence of this protocol, there seem to be no connection between improved education system and economic development for the SADC bloc.

2.1.2 A Brief Analysis of Zimbabwe Education System

In the recent past, Zimbabwe migrated from the 3.0 Education framework to 5.0. The latter is an afterthought education frame that incorporates the need for innovation and industrialisation, as informed by research. This stance is meant to brand the education system in such a way that university graduates contribute to the growth of an economy. The framework is yet to stand the test of time as the Zimbabwe economy is yet to see the contribution which the education framework will bring along.

- **Economic Growth**

Zimbabwe has been enjoying subdued economic growth due to myriad of factors, ranging from political to economic. According to the World Bank (2016) indicators Zimbabwe recorded an average of 0.08% by 2019, with the agricultural and mining sectors cited as the main contributor of increase in gross domestic product. It is, the assertion of this paper that economic development and in particular, productivity maybe enhanced through investment in education, hence the need to come up with an inclusive model that enables education to improve economic development.

- **Employable Population**

Population of Zimbabwe is youthful, with 76.4% of the population being below the age of 35 (SADC, 2011). Nonetheless, education theory is contradictory in as far as population growth is concerned for developed and developing economies. Literature shows that in developed economies, as population grow, the aging will

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increase political pressure to move the composition of social expenditure in favour of the elderly, but sacrificing other government expenditure such as education. The aging population demand more health rather than education, which suggest the trade-offs between education and health. Nonetheless this theory is likely not to hold in Zimbabwe, since there is youth dominance. Therefore, in Zimbabwe, we can suggest that the youth will increase political pressure to move the composition of social expenditure in favour them such as education expenditure, hence the desire to determine the relationship between government expenditure on education and economic development.

3.0 Research Methodology

The period of analysis for the two variables economic growth and education expenditure spans from 1995 to 2021. Preceding the running of the regressions, variables' data were transformed into their natural logarithmic form. Diagnostic tests were undertaken to establish the underlying data generation as to whether data are normally distributed. Stability test were undertaken to find out as to whether the ARDL model used in the study is well-specified. All the tests were performed using Eviews 12 statistical package. The following is the ARDL model that was adopted.

$$\Delta Real\ GDP\square = \alpha^1 + \sum_{k=1}^{\emptyset^{35}} \alpha^2\, \Delta Real\ GDP\square\_\square + \sum_{k=1}^{\emptyset^{36}} \alpha^3\, \Delta educ\ exp\square\_\square + \sum_{k=1}^{\emptyset^{36}} -\alpha^4\ \Delta infl\square\_\square + \sum_{k=1}^{\emptyset^{36}} -\alpha^5\ \Delta polit\square\_\square + \sum_{k=1}^{\emptyset^{36}} \alpha^6\ \Delta liter\square\_\square\ + \mu\square$$

Where,

Δ, is the change recorded by a variable per a given time; $\square$ is the lag operator; α are the coefficients to be estimated; and μ is the error term; $\emptyset$ represents the number of variables' observations and $\mu\square$ is the white noise. *Real GDP* is the proxy for Economic Development. Government expenditure on education is represented by *educ exp;* Inflation rate is represented by *infl*. Political Stability is represented by *polit;* and Literacy Rate is represented by *liter*. All the variables chosen for the model have economic meaning with the dependent variable. As informed by theory, the positive sign suggest a positive coefficient. The negative sign signifies a negative coefficient.

4.0 Results of the Study

4.1 Normality Test

Table 4.1: Normality Test Results

	Real GDP	Educ Exp	Infl	Polit	Liter
Mean	124797983.7	15153009556	0.401689	59.91536	3613272.43
Median	4000000000	14976453900	0.332151	61.11235	3.91015261
Standard Deviation	175139154.4	3033880452	0.183936	25.65727	2.30488654
Kurtosis	2.057640141	-1.349018108	-0.154431	2.462666	40.9990011
Skewness	1.571545928	-0.118155154	1.045597	0.963112	6.40301028

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Minimum	-30506683.75	9582735200	0.201870	12.03111	-2.40950000
Maximum	717865322.2	20114560000	0.860019	146.5215	147597576
Jacque-Bera	33.18396	4.521546	3.224618	56.76471	33.59876
P-Value	0.082868	0.902854	0.756395	0.068456	0.00018
Observations	41	41	41	41	41

Source: E-Views Statistical Packages Version 12.0

Table 4.1 above shows the mean, median, minimum, maximum and standard deviation valued of the variables used in the regression model. The mean values of Real GDP, Educ Exp, and Infl are greater than their medians and the data of these variables are positively skewed except for Educ Exp which is negatively skewed. The mean value of Polit is lower than its median. The coefficient of variation of Real GDP of 1.4 (standard deviation divided by the mean) is greater than 1 which means that Real GDP has high variability around its mean. The coefficient of variation of Educ Exp is 0.20 which is less than 1. This means that Educ Exp is not very volatile. The coefficient of variation of Infl is 0.45 which is less than 1. This means that Infl is not very volatile. In the same manner, the coefficient of variation of Polit is 0.43 which is less than 1. This means that Polit is not very volatile. The coefficient of variation of Liter is 6.37 which exceeds 1. This means that Liter is very volatile.

4.2 Correlation Test

Table 4.2: Pearson Correlation Matrix Test Results

	Real GDP	Educ Exp	Infl	Polit	Liter
Real GDP	1.000000				
Educ Exp	0.71984	1.000000			
Infl	0.58749	0.24378	1.000000		
Polit	-0.45920	-0.32982	-0.18047	1.000000	
Liter	0.53874	0.14865	0.03955	0.36238	1.000000

Source: E-Views Statistical Packages Version 12.0

The above correlation matrix shows that there is no multicollinearity between the variables because all the correlation coefficients are less than the 0.8 which is the rule of thumb of multicollinearity (Gujarati, 2003). The correlation matrix also shows that Educ Exp, Infl and Liter are positively correlated, with Real GDP, whilst Polit has a negative association with Real GDP.

4.3 Unit Root Test

Table 4.3: ADF Unit Root Test Results

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Variable	ADF test statistic	Critical value 1%	Critical value 5%	Critical value 10%	Probability	Comment
Real GDP	-2.4693	-3.4051	-2.7363	-2.7066	0.0007	I(1)
Educ Exp	-3.3771	-3.4103	-2.7384	-2.7076	0.0004	I(1)
Infl	-2.4767	-3.4325	-2.7485	-2.7124	0.0015	I(1)
Polit	-4.2034	-3.4054	-2.7362	-2.7064	0.0000	I(0)
Liter	-6.2693	-3.4102	-2.7387	-2.7078	0.0000	I(1)

Source: E-Views Statistical Packages Version 12.0

The ADF test results above shows that Real GDP, Educ Exp, Infl and Liter are stationary after first differencing. Polit is stationary at levels. Table 4.4 depicts the results for Lag length for the purposes of cointegration and running of the actual model.

4.4 Lag length Selection Criteria

The Akaike information criteria was used to select the lag length of the variables in the ARDL specification. Table 4.4 below shows the results of the lag length selection.

Table 4.4: LR Lag Length Selection Criteria

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-636.0787	0.734925	1.43	40.05833	40.27602*	40.13503*
1	-635.6346	0.544061*	1.50	40.08835	40.34963	40.18046
2	-635.4913	0.233141	1.57	40.13467*	40.43945	40.24215
3	-634.3827	1.837873	1,54	40.12875	40.47701	40.25156
4	-634.3815	0.001575	1.63	40.18274	40.57466	40.32097

Source: E-Views Statistical Packages Version 12.0

The results for the study shows that different lag length. This study opted for the LR, hence a lag length of one (1) informed the study. Justification being that the study is using 36 observations, hence a lag of one (1) is not enough to lead the study into data numerosity.

4.6 Cointegration Test

Table 4.5: Cointegration Test Results

Significance level	I0	I1
10%	2.67	3.44
5%	3.15	4.07

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2.5%	3.21	4.23
1%	4.13	5.09

F-Statistic 4.143615

Source: E-Views Statistical Packages Version 12.0

The results for the study confirm the existence of cointegration amongst variables, as supported by an F-statistic value of 4.143615, which is above the upper bound critical value at 5% levels. These results are enough to motivate study to adopt the ARDL for the long-run results, and an unrestricted Error Correction Model (ECM) to determine the short-run relationships.

4.7 ARDL-ECModel

Table 4.6: ARDL-ECM Model Test Results

Dependent Variable: Real GDP

Variable	**Short-Run Co-efficient**	**Probability**	**Decision**
Ln EDUC EXP	-0.0715	0.005	Significant
Ln INFL	0.0354	0.021	Significant
Ln POLIT	0.2109	0.136	Insignificant
Ln LITER	0.0638	0.337	Significant
ECT	-0.2319	0.000	Significant
Variable	**Long-Run Co-efficient**	**Probability**	**Decision**
Ln EDUC EXP	-0.0353	0.043	Significant
Ln INFL	0.1504	0.017	Significant
Ln POLIT	-0.0774	0.010	Significant
Ln LITER	0.0528	0.003	Significant

Source: E-Views Statistical Packages Version 9.0

In the short-run, as informed by the ECM, the result shows that there is a negative and significant relationship between Real GDP and Education Expenditure The study entail that a 1% increase in Educational Expenditure result in 7% decrease in Real GDP for Zimbabwe. The error correction term (ECT) of -0.2319 is measure of the speed of adjustment towards long-run equilibrium. The result implies that the system corrects the previous period disequilibrium at the speed of 23% which is not effective for policy responsiveness. In the long-run as informed by the ARDL there is a again a negative significant relationship between Real GDP and Education Expenditure, where a 1% increase in Education Expenditure results in 4% decrease in Real GDP for Zimbabwe. The results confirm to the reason why there is high unemployment in Zimbabwe. Also, the results are in sync with the current drive that the government of Zimbabwe has undertaking in revamping the dated Education Framework of 3.0 to that of 5.0 which has an emphasis on innovation and industrialization. The low coefficient of the ECT requires policy makers to come up with robust policies that seeks to revamp the

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education system so that the system talks to the economy needs. Only then can positive coefficient for the two variables of interest be realised in the long-run as desired by economics theory.

4.9 STABILITY TESTS

The model was diagnosed to determine if it is well specified.

Table 4.7: Stability Test Results

Test	P-value	Comment
Ramsey RESET Test	0.5687	The model is correctly specified
Serial-Correlation Test	0.6421	There is no serial correlation
Heteroskedasticity Test	0.8007	There is no Heteroskedasticity

Source: E-Views Statistical Packages Version 12.0

5.0 Conclusion and Policy Recommendations

The study found that the expenditure on education has an inverse relationship with economic development. This suggests that a lot has to be done to ensure the education expenditure result in the growth of Zimbabwe economy. Taking into consideration the existence of Education 5.0 Framework currently used in Zimbabwe, the following is recommended;

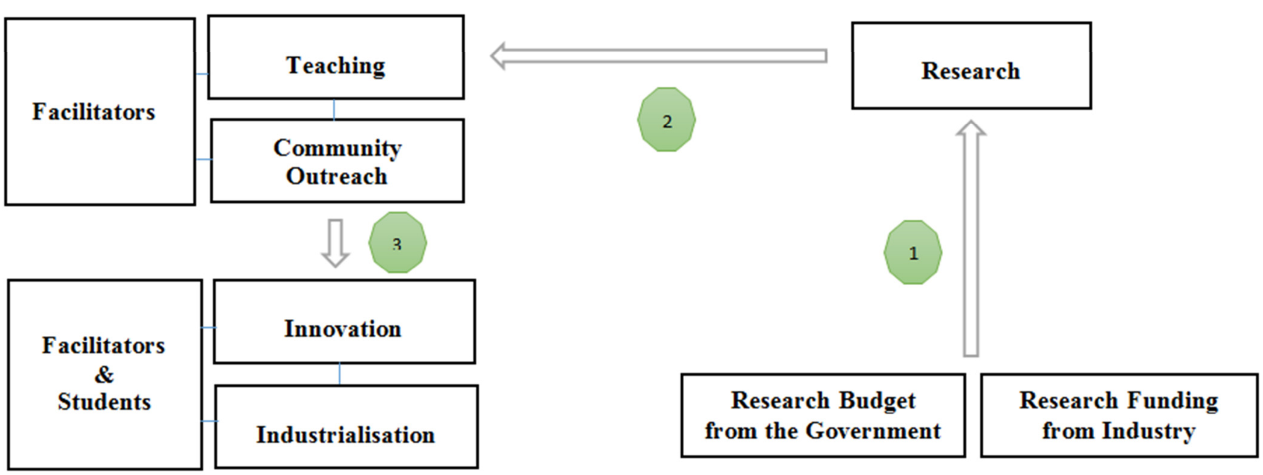

Figure 5.1: Inclusive Education Expenditure and Economic Development Framework

Informed by the Zimbabwe Education 5.0 Model, the study recommends that a stand-alone research budget be made available for the institutions of higher learning. It is, also true with the industry who expect the best from graduates to fund researches done by the institutions of higher learning. It follows, therefore, that the industry must have constant liaison with the institutions of higher learning, presenting challenges which they are facing for researches to be conducted with the view of proffering solutions. In fact, facilitators from the

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institutions of higher learning must be able to research on the needs of the economy, and impart knowledge on students, guided by the predetermined economic needs. It is, from the researches that the institutions would have conducted that would inform the content of teaching and community outreach. The students would then benefit from the researched teaching, thus, enabling them, and the facilitators to innovate and industrialise.

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EFFECTIVE COMMUNICATION PROCESSES: FUNDAMENTAL IN BRINGING ABOUT IMPROVEMENTS IN ONE'S LIVING CONDITIONS

Dr. Radhika Kapur

Abstract

Throughout the lives of the individuals, they need to be well-versed in terms of meaning and significance of effective communication processes. One needs to acquire an efficient understanding of the point that putting into practice the communication in an effective manner will lead to up-gradation of one's personality traits. Furthermore, the individuals will contribute significantly in bringing about improvements in one's living conditions. Within homes, within the course of implementation of job duties, in educational institutions, various types of employment settings and public places, communication processes are regarded as the key. When the individuals implement them, they exchange ideas and viewpoints, generate information in terms of various factors and provide solutions to various types of problems. Apart from these factors, there are number of other areas in terms of which communication processes prove to be beneficial. The individuals are required to make use of polite language and decent words. Furthermore, they need to ensure, they treat each other with respect and courtesy. The individuals, belonging to all communities, categories and backgrounds need to augment technical skills to communicate effectively, particular through technologies. Therefore, it is of utmost significance to implement communication processes in an effective manner. The main concepts that are taken into account in this research paper are, understanding the meaning and significance of effective communication processes, factors highlighting how effective communication processes contribute in promoting community well-being and benefits of effective communication processes.

Keywords: Communication Processes, Effectiveness, Improvements, Individuals, Job Duties, Living Conditions, Objectives

From the stage of early childhood, throughout the lives of the individuals, they need to be well-versed in terms of methods and approaches to implement communication processes in an effective manner. The individuals cannot live their lives in seclusion. Hence, they are taught that they need to form a social circle. The individuals need to understand that beyond their homes also there is a world, with which they need to communicate with. These comprise of community members, neighbours, friends, instructors, classmates, supervisors, employers and colleagues. Putting into operation communication processes in an effective manner will prove to be beneficial to the individuals to a major extent (Communication, 2021).

The individuals are overwhelmed by number of problems and challenges in their personal and professional lives. In order to provide solutions to various problems and prevent them from assuming a

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major form, one has to implement communication processes. When communication takes place, it needs to be ensured that solutions are provided in such a manner that problems do not emerge into barriers within the course of putting into operation job duties in an efficient manner and achievement of desired goals. Therefore, it can be stated, effective communication processes are the key to provide solutions to various types of problems taking place in the personal and professional lives of the individuals.

Loneliness is regarded as the chronic and distressful state, which would have unfavourable effects upon the health and well-being of the individuals (Doyle, 2021). When the individuals are overwhelmed by the problem of loneliness, they feel mentally disturbed. Hence, one needs to implement measures to alleviate loneliness. When the individuals will communicate with others, they will be able to contribute in a significant manner in alleviating loneliness. In cases, when elderly individuals are residing alone and do not have family members around, they tend to establish terms and relationships with helpers and service providers in alleviating loneliness. One needs to form cordial and amiable terms and relationships with others in not only providing solutions to various types of problems but also in leading to enrichment of their overall quality of lives.

When the individuals have cordial and amiable terms and relationships with others within homes, in educational institutions, employment settings, neighbourhood and public places, one is able to do well in their job duties, achieve the desired goals and incur the feelings of pleasure and contentment. This is facilitated through implementation of effective communication processes. Therefore, meaning and significance of effective communication processes are acknowledged by individuals, irrespective of their communities, categories and backgrounds.

Within the course of putting into operation job duties and responsibilities within homes, educational institutions at all levels and in various types of employment settings, one needs to exchange ideas and viewpoints. In other words, one is to work in collaboration and integration with others. In some cases, when the individuals feel perplexed, they are required to obtain ideas and suggestions from others. When the individuals are implementing effective communication processes, they need to make use of polite language and decent words. Working in collaboration and integration with others is facilitated, when the individuals recognize the meaning and significance of effective communication processes.

In the present existence, with advancements taking place and with the advent of technologies, the individuals are making use of various types of technologies to implement communication processes in an effective manner. Technologies are utilized on a comprehensive basis in implementing tasks and activities in personal and professional lives. The technologies are utilized to send messages and emails. One of the main benefits is communication takes place in a less time consuming and efficient manner. Hence, it is indispensable for the individuals to hone technical skills. Therefore, effective communication processes are facilitated among individuals, when they are well-equipped in terms of technical skills.

Understanding the Meaning and Significance of Effective Communication Processes

The individuals, belonging to all communities, categories and backgrounds need to understand that in order to carry out their job duties in an effective manner, achieve personal and professional goals, bring about improvements in their overall quality of lives and in promoting community well-being, effective communication processes are regarded as fundamental. These are put into operation on a regular basis with

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the individuals within as well as outside the homes. One needs to understand that in order to exchange ideas and viewpoints and provide solutions to the problems in an appropriate manner, one needs to put into operation communication processes in an effective manner. Furthermore, these will facilitate in developing mutual understanding and forming cordial and pleasant terms and relationships with others. Therefore, individuals are able to acquire an efficient understanding of the meaning and significance of effective communication processes, when they feel that they are rendering a significant contribution in leading to up-gradation of their overall standards of living.

It is apparently understood that to carry out the tasks and activities in a well-ordered manner and to generate the desired outcomes, the individuals need to be well-versed in terms of various types of methods, approaches and strategies. Within the course of pursuance of education, when the individuals are overwhelmed by any problems, they approach their educators as well as classmates. Whereas, in employment settings as well, one needs to be informative. These are necessary to do well in one's job duties and to generate the desired outcomes. Therefore, individuals are able to acquire an efficient understanding of the meaning and significance of effective communication processes, when they form the viewpoint that they are augmenting their information in terms of various factors. Furthermore, they will be able to make provision of solutions to various problems and cope up various types of complications and challenges.

Factors highlighting how Effective Communication Processes Contribute in Promoting Community Well-being

In promoting community well-being, effective communication processes are regarded as the key. The individuals need to put them into operation on a regular basis (Communication Skills, 2021). The communication takes place among individuals in a verbal as well as in a written form. Verbal communication takes place face to face or over the phone, whereas, written communication takes place through letters, notices, messages, emails and so forth. When the individuals are implementing effective communication processes, they need to make use of polite language and decent words; treat each other with respect and courtesy; form constructive viewpoints in terms of various factors and not discriminate against anybody in terms of any factors. When the individuals are putting emphasis upon promoting community well-being, they need to take into account these factors on a regular basis. It is indispensable for all community members to be well-informed in terms of factors highlighting how effective communication processes contribute in promoting community well-being. These are stated as follows:

Up-gradation of Skills and Abilities

The various types of skills, which need to be honed by the individuals are, communication skills, decision making skills, analytical skills, critical thinking skills, problem-solving skills, time management skills, creative skills, technical skills, personal skills, presentation skills, professional skills, negotiation skills and leadership skills. On the other hand, abilities, which need to be up-graded are possessing the abilities to work under stress, coping with various types of problems and challenges in an effective manner, doing well in one's job duties and responsibilities and working towards forming a pleasant environment within as well as outside the homes. When the individuals are focused upon promoting community well-being, they need to put emphasis upon up-gradation of skills and abilities. Therefore, up-gradation of skills and abilities is a factor highlighting how effective communication processes contribute in promoting

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community well-being. This has been acknowledged by the individuals, belonging to various occupations, communities, categories and backgrounds.

Solving Dilemmas

The individuals are overwhelmed by number of problems and challenges in their personal and professional lives. In some cases, these are more severe, whereas, in other cases, they are less severe. One needs to conduct an analysis of the causes, provide solutions to them in a satisfactory manner and prevent them from assuming a major form. When there are occurrence of any dilemmas within the course of promoting community well-being, one is required to put in efforts to their best abilities in providing solutions to them. In order to do well in their job duties and to generate the desired outcomes, one needs to be well-versed in terms of various types of measures, strategies and approaches. Therefore, solving dilemmas is a factor highlighting how effective communication processes contribute in promoting community well-being. This has been recognized by the individuals within the course of implementation of job duties in personal and professional lives.

Formulating Laws and Rules

In educational institutions at all levels and in various types of employment settings, there are formulation of laws and rules. These need to focus upon promoting well-being of community members. One of the main aim of formulating laws and rules is to ensure, overall functioning of the organization and achievement of goals and objectives takes place in a well-ordered and satisfactory manner. The laws and rules are related to timings, job duties, goals and objectives, training and development programs, measures, strategies and approaches, resources and so forth. When all the members of the organization, irrespective of their job positions in the hierarchy carry out their job duties in accordance to the laws and rules, they will contribute significantly in generating the desired outcomes. Therefore, formulating laws and rules is a factor highlighting how effective communication processes contribute in promoting community well-being. This is crucial in educational institutions and in employment settings.

Imparting Information regarding various Subjects and Concepts

In educational institutions at all levels, the instructors are vested with the authority and responsibility of imparting information regarding various subjects and concepts. On the other hand in various types of employment settings, when supervisors or employers are to make provision of information regarding various subjects and concepts, they aim to achieve the desired goals and objectives. The possession of adequate information in terms of various subjects and concepts will not only enable the individuals to enhance their career prospects and to lead to up-gradation of their overall living conditions, but they are also making use of this information in promoting community well-being. The information will prove to be beneficial in bringing about transformations and improvements. Therefore, imparting information regarding various subjects and concepts is a factor highlighting how effective communication processes contribute in promoting community well-being. This is regarded to be of utmost significance in the personal and professional lives of the individuals.

Conducting Research

In order to do well in their job duties and to generate the desired outcomes, one needs to be well-versed in terms of various types of measures, strategies and approaches. Conducting research is

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regarded as one of the crucial aspects to augment one's knowledge and understanding. Research is conducted through making use of books, articles, reports, projects, technologies and internet. When the individuals are required to bring about changes or improvements, in such cases, this factor will prove to be effective and meaningful. In conducting research, one may either work on their own or in collaboration with others. Promoting teamwork will prove to be beneficial and meaningful to the individuals in professional as well as in personal lives. Therefore, conducting research is a factor highlighting how effective communication processes contribute in promoting community well-being. This is regarded as indispensable in augmenting knowledge and understanding among individuals in terms of various factors.

Implementing Social Work

The individuals need to put emphasis upon implementing social work. The individuals, belonging to wealthy families are making provision of ways to promote well-being of the individuals, belonging to deprived, marginalized and socio-economically backward sections of the society. Social work is implemented in various ways, i.e. providing tuition classes to the individuals free of cost in terms of academic subjects and extra-curricular and creative activities; providing medical treatment, if the individuals belong to medical professions; making donations of various items, i.e. books, stationary, food, clothing, kitchen appliances, blankets, bags and monetary donations. The communication processes with the economically weaker sections of the society takes place in such a manner that would facilitate in imparting information regarding various subjects and concepts. Furthermore, this information will contribute significantly in promoting their well-being. Therefore, implementing social work is a factor highlighting how effective communication processes contribute in promoting community well-being. This is regarded as vital in leading to up-gradation of the disadvantaged sections of the society.

Achieving Desired Goals and Objectives

The individuals, belonging to all communities, categories and backgrounds have the primary goals and objectives of acquiring good-quality education, getting engaged in well-paid and reputed employment opportunities, augmenting skills and abilities, forming an effective social circle, do well in their job duties, achieve personal and professional goals, and bring about improvements in one's overall quality of lives. Furthermore, promoting community well-being is also regarded as one of the goals. When the individuals are informative and are well-versed in terms of measures, strategies and approaches, they will contribute effectually in achieving desired goals and objectives. When the individuals are engaged in various types of employment opportunities in various fields, they are not only achieving desired goals and objectives, but also promoting community well-being. Therefore, achieving desired goals and objectives is a factor highlighting how effective communication processes contribute in promoting community well-being. The implementation of this factor in a meaningful manner would contribute in incurring the feelings of pleasure and contentment among individuals.

Promoting Enrichment of the Community Members

In promoting enrichment of the community members, there are various factors that need to be taken into account. These are, leading to up-gradation in the overall system of education; augmenting skills development programs; bringing about improvements in employment opportunities; focusing on making provision of infrastructure, amenities and facilities; leading to establishment of medical and health care

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facilities; promoting cleanliness; preserving the environmental conditions in an adequate manner; curbing various forms of pollution; providing equal rights and opportunities to all individuals; implementing measures to eradicate the societal problems of poverty, illiteracy, unemployment, homelessness and crime and violence and putting emphasis on law and order. One needs to be informative in terms of various methods and approaches that would lead to up-gradation of these factors. Therefore, promoting enrichment of the community members is a factor highlighting how effective communication processes contribute in promoting community well-being. The individuals need to focus on this factor on a regular basis.

Up-grading the Traits of Benevolence and Generosity

The individuals, belonging to all occupations, communities, and backgrounds need to understand that they cannot achieve desired goals nor lead to up-gradation of their overall living conditions by residing in seclusion (Communication Skills, 2021). Hence, it is of utmost significance for the individuals to up-grade the traits of benevolence and generosity. Throughout the lives of the individuals, they need to put emphasis upon reinforcing these traits. When the individuals are overwhelmed by any problems, they approach others. On the other hand, when others are overwhelmed by any difficulties, they too will approach to acquire help. Hence, up-gradation of the traits of benevolence and generosity will prove to be beneficial to the individuals. Furthermore, one will form an effective social circle. Therefore, up-grading the traits of benevolence and generosity is a factor highlighting how effective communication processes contribute in promoting community well-being. The individuals need to understand the meaning and significance of this factor throughout their lives.

Augmenting the Feelings of Pleasure and Contentment

The research studies have indicated that individuals need to put emphasis upon augmenting the feelings of pleasure and contentment. The feelings of displeasure and dissatisfaction are experienced by the individuals in their lives in both personal and professional spheres. In some cases, they give rise to barriers within the course of putting into operation job duties in a well-ordered manner and achievement of goals and objectives. Hence, one needs to prevent them from assuming a major form. Throughout the lives of the individuals, they need to put emphasis upon participating in those tasks and activities, which would lead to reinforcement of the feelings of pleasure and contentment. Furthermore, these will be advantageous in promoting well-being of the community members. Therefore, augmenting the feelings of pleasure and contentment is a factor highlighting how effective communication processes contribute in promoting community well-being. The individuals need to possess these feelings themselves as well as spread them among others.

Benefits of Effective Communication Processes

The individuals, belonging to all occupations, communities, and backgrounds need to understand the meaning and significance of effective communication processes. When these take place in a satisfactory manner, the individuals feel satisfied and are able to promote a normal mind-set. But in some cases, there are occurrence of barriers as well, such as absence of individuals, overwhelmed by number of job duties, technical problems, unavailability of internet and so forth. The individuals need to be well-equipped in terms of measures to overcome various types of barriers. Furthermore, these need to be prevented from assuming a major form. Hence, in order to bring about improvements in one's overall quality of lives, it is of utmost

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significance to put into operation communication processes in an effective manner. It is essential for the individuals to acquire an efficient understanding of the benefits of effective communication processes. These are, providing solutions to various types of problems; alleviating loneliness; forming cordial and amiable terms and relationships with others; facilitating collaboration and integration with other individuals; up-grading technical skills and coping with psychological problems in an appropriate manner. These are stated as follows:

Providing Solutions to various types of Problems

The individuals are overwhelmed by number of problems and challenges in their personal and professional lives. In some cases, these take place in a major form, whereas, in other cases, they take place in a minor form. In order to provide solutions to complicated problems and prevent them from assuming a major form, one has to implement communication processes with other individuals. These can be family as well as community members. When communication takes place, it needs to be ensured that solutions are provided in such a manner that problems do not emerge into barriers within the course of putting into operation job duties in an efficient manner and achievement of desired goals. Hence, it can be stated, effective communication processes is the key to provide solutions to various types of problems taking place in the personal and professional lives of the individuals. Therefore, providing solutions to various types of problems is a benefit of effective communication processes. This benefit has been put into operation by the individuals, when they are overwhelmed by problems within as well as outside the homes.

Alleviating Loneliness

Loneliness is regarded as the chronic and distressful state, which would have unfavourable effects upon the health and well-being of the individuals. The research studies have indicated that individuals do not appreciate loneliness. They make attempts throughout their lives to communicate with others in an appropriate manner and form sociable terms and relationships. When the individuals are overwhelmed by the problem of loneliness, they feel mentally disturbed. In some cases, it has detrimental effects upon the physical health conditions of the individuals. Hence, one needs to implement measures to alleviate loneliness. When the individuals will communicate with others, they will be able to contribute in a significant manner in alleviating loneliness. Furthermore, they will be able to exchange ideas and viewpoints and provide solutions to their problems. In cases, when elderly individuals are residing alone and do not have family members around, they tend to establish terms and relationships with domestic helpers and service providers in alleviating loneliness. Therefore, alleviating loneliness is a benefit of effective communication processes. This benefit has been put into operation by the individuals throughout their lives, particularly when they are determined to promote well-being.

Forming Cordial and Amiable terms and relationships with others

One needs to form cordial and amiable terms and relationships with others in not only providing solutions to various types of problems but also in leading to enrichment of their overall quality of lives. Cordial and amiable terms and relationships are required to be formed with others throughout one’s lives. When the individuals have cordial and amiable terms and relationships with others within homes, in educational institutions, employment settings, neighbourhood and public places, one is able to do well in their job duties, achieve the desired goals and incur the feelings of pleasure and contentment. This is

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facilitated through implementation of effective communication processes. When the individuals are determined towards putting into operation this task, there are important aspects that need to be taken into account by the individuals, i.e. making use of polite language and decent words, treating others with respect and courtesy and forming positive viewpoints in terms of various aspects. Therefore, forming cordial and amiable terms and relationships with others is a benefit of effective communication processes. This benefit has facilitated the individuals in performing good deeds and leading to effective growth and development.

Facilitating Collaboration and Integration with other Individuals

Within the course of putting into operation job duties and responsibilities within homes, educational institutions at all levels and in various types of employment settings, one needs to exchange ideas and viewpoints. In addition, one is required to obtain solutions to various types of problems and challenges. This is facilitated when one is to work in collaboration and integration with others. In some cases, when the individuals feel perplexed, they are required to obtain ideas and suggestions from others. When the individuals are implementing effective communication processes, they need to make use of polite language and decent words. Working in collaboration and integration with others is facilitated, when the individuals recognize the meaning and significance of effective communication processes. Working in collaboration and integration with others will contribute significantly in doing well in one's jobs and in leading to up-gradation of the overall structure of the organizations. Therefore, facilitating collaboration and integration with other individuals is a benefit of effective communication processes. This benefit has proven to be worthwhile to the individuals in doing well in one's jobs and in generating the desired outcomes.

Up-grading Technical Skills

In the present existence, with advancements taking place and with the advent of technologies, the individuals are making use of various types of technologies to implement communication processes in an effective manner. These are made use of on a comprehensive basis in personal as well as professional lives of the individuals. Technologies are utilized on a comprehensive basis in implementing tasks and activities which may be straightforward and manageable as well as complicated. The communication processes are facilitated when technologies are utilized to send messages and emails. One of the main benefits is communication takes place in a less time consuming and efficient manner. Hence, it is indispensable for the individuals to hone technical skills. Effective communication processes are facilitated among individuals, when they are well-equipped in terms of technical skills. The individuals need to get engaged in regular practice, when they are to hone their technical skills. Therefore, up-grading technical skills is a benefit of effective communication processes. This benefit has proven to be meaningful to the individuals in implementing job duties in an effective manner and in generating the desired outcomes.

Coping with Psychological Problems in an appropriate manner

In the lives of the individuals in both personal and professional spheres, one is overwhelmed by the psychological problems (Top 5 Communication Skills and How to Improve them, 2020). The various types of psychological problems are, anger, stress, anxiety and frustration. The individuals are required to be well-versed in terms of measures and approaches to cope with these problems and prevent them from assuming a major form. In other words, one needs to manage anger, stress, anxiety and frustration in an adequate manner. When the individuals recognize the meaning and significance of effective communication

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processes, they will obtain help and assistance from others in providing solutions to them. These include, family members, friends, professional counsellors, medical practitioners and health care specialists. When these are experienced in educational institutions and employment settings, one also obtains help from instructors, supervisors, employers, classmates, and colleagues. Therefore, coping with psychological problems in an appropriate manner is a benefit of effective communication processes. This benefit has proven to be meaningful to the individuals, particularly when they are to obtain solutions to various types of psychological problems.

Conclusion

Throughout the lives of the individuals, they need to be well-versed in terms of methods and approaches to implement communication processes in an effective manner. The individuals cannot live their lives in seclusion. Hence, they are taught that they need to form a social circle. Hence, effective communication processes are regarded as the key. Factors highlighting how effective communication processes contribute in promoting community well-being are, up-gradation of skills and abilities, solving dilemmas, formulating laws and rules, imparting information regarding various subjects and concepts, conducting research, implementing social work, achieving desired goals and objectives, promoting enrichment of the community members, up-grading the traits of benevolence and generosity and augmenting the feelings of pleasure and contentment. Benefits of effective communication processes are, providing solutions to various types of problems; alleviating loneliness; forming cordial and amiable terms and relationships with others; facilitating collaboration and integration with other individuals; up-grading technical skills and coping with psychological problems in an appropriate manner. Finally, it can be stated, when communication processes will take place in an effective manner in the personal and professional lives of the individuals, they will contribute significantly in achieving desired goals and leading to enrichment of their overall standards of living.

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IMPULSE BUYING BEHAVIOR OF WORKING WOMEN WITH ROLE OF PERSONALITY, ORGANIZATIONAL STRESS AND COPING BEHAVIOR AS MODERATING EFFECT

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Background of the study:

The act of making an impulsive purchase cannot be restricted to a single type of purchase. Chocolates, apparel, and cell phones, as well as larger-ticket items like automobiles, jewellery, and other comparable items, may all be instances of impulsive purchases. Buying on the spur of the moment refers to making a purchase without previous forethought. Irrational thinking underpins it, as seen here. Marketers make an attempt to capitalize on this customer behavior in order to enhance sales.

When customers enter a hypermarket with no express purpose of purchasing anything, there is a good chance they will depart with one or more things in their shopping carts. Many mobile phone manufacturers take use of this quality in their customers by launching things that may operate as an add-on device for their phones, such as fitness bands, watches, and other similar items.

The rapid growth in women's discretionary income has resulted in an increase in the amount of money spent on a range of modern items, including but not limited to refrigerators, microwaves, air conditioners, LED televisions, smart phones, and beauty goods.

Women are an important demographic that marketers may like to reach. This is true not only for traditional women's goods and household items, but also for products and services linked to technology, such as mobile phones, and those related to money. The capacity of women to spend money will play a significant role in the outcome. Working women professionals in India have become increasingly visible in recent years, particularly in the country's expanding service industries.

This pattern can be attributable to a variety of things. The retail business in India employs a sizable number of women, who are noted for their progressive worldviews and capacity to make autonomous judgements. This provides a significant contribution to the growth of India's social and economic systems.

As a result, the different states of attitude that contribute to an individual's impulsive buying behaviour may be classified into the following structures. These constructs include self-love and identity focus, as well as high and low self-esteem. This classification is totally based on these abnormalities in the

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behaviour process.

Review of Literature:

Alauddin, M., Hossain, M.M., Ibrahim, M., and Hoque, M.A. (2015) conducted research on the impulsive purchasing behaviour of customers at super shops. They also discovered that there is a connection between the frequency of visits and the tendency to make impulsive purchases.

Sharma, P., Sivakumaran, B. and Marshall, R. (2015) suggested that hedonic purchasing behaviour leads to impulsive buying behaviour, according to the findings of the research, persons who self-monitor are less likely to make impulsive purchases but are more interested in trying new things.

Singh, K.G. (2015) conducted research to investigate the effect that visual marketing has on the habit of impulsive purchasing made by college students. Window shopping and browsing within stores significantly boosted customers' propensity to make impulsive purchases.

Kalla, S. M. (2016) 47 this research investigates a variety of internal motivational variables that contribute to the phenomena of impulsive purchase in an Indian environment. The results of these interviews were able to reveal novel and less visible methods of comprehending the internal driving forces behind an impulsive consumer.

Prakash, G., Sahney, et.,al., (2017) the purpose of this case study is to conduct a cross-gender investigation of impulsive purchase behaviour in the garment retail industry in India.

Datta, D., & Sharma, B. (2017) the purpose of this article is to make an effort to comprehend the consumer impulsive purchasing behaviour of millennials who shop in Agartala's supermarkets.

Murugan, D. M. S., & Jain, D. B. (2017) the primary objective of the research was to investigate and compare two types of consumer behaviour exhibited by women: general female consumer behaviour and the consumer behaviour of working women.

Gowda, K. R., & Chaudhary, K. (2018) opined the majority of Indians, particularly working women, have made online shopping an integral part of their daily routines. According to a research conducted by Google, it is anticipated that by the year 2020, it would be responsible for 25 percent of the entire organised retail sales in India and will have reached 60 billion dollars in gross merchandising value.

Choudhary, P., & Kashyap, R. (2019) the purpose of the study is to increase knowledge of the apparel buying behaviour of Indian consumers by gaining an understanding of the apparel buying preferences of working women and to evaluate the impact of the big five personality types on various dimensions that influence the apparel buying behaviour of working women.

Choudhary, P., & Kashyap,(2019) 480 working women between the ages of 26 and 55 who belonged to an income bracket that was considered to be upper middle class participated in this research

Pinto, P., Hawaldar, I. T., & Pinto, S. (2020) studied how the store layout, ambient elements, and workers influenced the impulsive decision-making of female consumers who were shopping at clothes shops. The results were obtained from 385 respondents in top clothing retailers located in selected Tier I and Tier II cities in the state of Karnataka, India, utilising a single-stage mall intercept survey approach and a designed questionnaire.

Sahetapy, W. L., Kurnia, E. Y., and Anne, O. (2020) attempts to determine the effect of hedonic motivations on impulsive purchasing, as well as the influence of shopping lifestyle on impulse buying, as well as the influence of hedonic motives on shopping lifestyle.

Zheng, Y., Yang, X.,(2020) investigated the impact that negative coping strategies had in the correlation between perceived stress and online compulsive shopping as well as the moderating effect that self-esteem had on the relationship. In addition, a person's level of self-esteem acted as a moderator for both the direct impact of perceived stress on online compulsive shopping and the mediating effect of negative coping.

Jadhav, P., & Patil, S. R. (2020) examines the purchasing patterns of women's clothing in a number of retail establishments. Women's purchasing behaviour with regard to branded garment is influenced by a number of elements, including income level, lifestyle, price of the garment, degree of satisfaction, and level of anticipation.

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Chaudhuri, S., Kumar, A., and Bhardwaj, A. (2021) the purpose of this research is to investigate whether or not certain demographic factors, such as age, income, and gender, have an effect on people's propensity to make impulsive purchases of grocery items.

Kshatriya, K., & Shah, P. S. (2021) intends to investigate whether or not customers engage in impulsive and compulsive purchasing behaviours.

Kaur, R., Brar, A. S., and Goel, P. (2022) investigated the myriad of variables that contribute to the impulsive shopping behaviour of working women in the state of Punjab. Gaining an understanding of the factors that influence the apparel buying behaviour of working women will be helpful for apparel retailers who wish to standardise and formulate their strategy accordingly for the women consumers.

Rai, J., & Yadav, R. K. (2022) this study provides light on the influence of these identified social media characteristics as a prelude to the online impulsive propensity of women customers.

Rahim, F. F. M., Abd Rahim, H., Osman, S., and Othman, M. A. (2022) the purpose of this research is to investigate the relationships between single moms' financial well-being and factors such as materialism, stress, saving behaviour, and compulsive purchasing behaviour. Based on these results, it seems that the effective management of the factors of materialism, stress, and compulsive purchasing behaviour is essential to the process of improving the economic well-being of single moms.

Sen, S., and Nayak, S. (2022) This study investigates pertinent research gaps and, in the course of doing so, finds three internal stimulation elements as probable precursors to impulsive purchase.

Deshpande, B., Pradhan, D., Sivakumaran, B., and Lyngdoh, T. (2022) the objective of this research is to investigate the various effects that different advertising appeals have on the amount of impulse purchasing (IB) that consumers engage in for vice and virtue items.

Mandolfo, M., Bettiga, D., Lamberti, L., and Noci, G. (2022) explores the ways in which sales promotions might alter the psychological processing that occurs before to impulsive purchasing.

Gungordu Belbag, A. (2022) Examine the behaviour of consumers in Turkey during the COVID-19 epidemic, as well as how people are adjusting to the new normal. Other responses include a decline in shopping frequency, a decline in shopping frequency, a decline in leisure activities, and a decline in shopping frequency.

Objectives of the Research:

In each given scenario, impulsiveness presents itself as a challenging concept that may be interpreted in a variety of ways. A momentary lack of control may be the result of a variety of contextual signals from the outside world, as well as internal emotional variables and a positive viewpoint. In the past, researchers focused primarily on looking for various factors, both internal and external, that are responsible for impulsive behaviour.

The following are some of the more specific goals of this study: (a) To investigate the many internal and environmental variables that cause changes in the impulsive purchase behaviour of working women at various stages of their life

(b) To illustrate the occupational, individual, and family factors that contribute to the habit of impulsive shopping that is prevalent among working women, as well as the effects of those factors.

(c) To study how the occupational stress of women working in various kinds of service jobs, the nature of their dependent on family, and the demographic features of these women might influence their tendency to make impulsive purchases.

(d) To investigate the many ways in which working women deal with stress and anxiety, as well as the ways in which they control their impulses and behaviour.

(e) To come up with recommendations for a new marketing and retail strategy in terms of helping working women improve their work lives, family lives, and overall well-being in order for women to be able to function as rational future buyers; this will involve supporting working women in improving their work lives.

Research Methodology:

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The current research is an empirical investigation with an exploratory focus. We focused our data collection efforts only on women in West Bengal who hold jobs in a variety of service industries, including education, media, finance, health care, and information technology (IT). The research is predicated mostly on the information that was gathered by means of a predetermined questionnaire from a sample of women who lived in the state of West Bengal.

The Original Source Is: In order to gather the main data, a questionnaire was designed with the assistance of a variety of psychometric instruments, and after a number of rounds of pilot surveying, the questionnaire was finally completed.

Most respondents were either physically approached at their places of employment after scheduling meetings in advance or their responses were obtained via the use of questionnaires that were distributed to respondents who lived in distant locations.

There was a total of 750 questionnaires sent out to women working in various services; however, only the completed responses from 600 of those questionnaires were taken into consideration for the purpose of this research.

Sources secondaries include: In addition, as a secondary source for the investigation, the material that is readily accessible on this topic and that has been published in a variety of journals, books, magazines, newspapers, and online publications has been taken into account.

Data Analysis and Findings:

Type of Sampling

Stratified sampling technique was adopted where different sectors wase treated as different strata and then quota sampling technique was applied in different strata. Respondents were randomly selected from a subset of three sectors i.e., private, public, and foreign sector wherein equal chance was given to each participant to respond to the survey questionnaire. SPSS, version 26, and Microsoft Excel was used to analyse and interpret the collected with various statistical tests i.e., Factor Analysis, Descriptive analysis, Correlation, ANOVA and Regression and for qualitative analysis of data, Likert's Summated Scale and Semantic Differential scale was used.

General Profile of Respondents

General Profile	Number	Percent
Age group		
21-30	279	46.5
31-40	197	32.8
41-51	124	20.7
Education		
Graduate	75	12.5
Post-graduate	145	24.2
Professional Qualification	322	53.7
Marital Status		
Married	256	73.5
Unmarried	344	2.3
OCCUPATION		

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Business	78	13
Service	522	87
WORK ACTIVITY STATUS		
Regular/full time employee	449	74.8
Part time employee	45	7.5
Self employed	106	17.7
KIND OF ORGANIZATION		
Public	127	21.2
private	445	74.2
Foreign	12	2
NGO	16	2.7
FAMILY TYPE		
Nuclear	393	65.5
Joint	150	25
Extended	57	9.5
Number of Consumers Surveyed	**600**	**100**

The "item to total correlation", i.e., correlation of all 144 items with their total sum score varies from 0.349 (Item 21) and 0.503 (Item 99). This indicates that there have been sufficient positive correlation values of at least 0.154 for all items in the scale measuring impulse buying behavior of working women. As there is sufficient correlation between each item and total sum score, all these items in the scale are internally consistent with each other in measuring impulse buying behaviour of working women data of these 144 items are valid items.

It is further apparent from the table that the Cronbach's alpha reliability coefficient is 0.829, indicating that the degree of internal consistency among 144 items in the scale measuring impulse buying behavior of working women has been excellent. As the scale items measuring impulse buying behavior of working women are highly reliable and internally consistent, further analyses have been carried with collected data.

After ascertaining the reliability of the items in the scale measuring impulse buying behavior of working women, the underlying dimensions of impulse buying behavior of working women are evaluated using principal component factor analysis with Varimax rotation.

The KMO and Bartlett test evaluate all available data together. A KMO value over 0.5 and a significance level for the Bartlett's test below 0.05 suggest there is substantial correlation in the data.

KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.6 60

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Bartlett's Test of Sphericity	Approx. Chi-Square	32045.4.004
	df	10296
	Sig.	.000

Eigen values of Factors Underlying dimensions of Personality type of working women.

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	otal	% of Variance	Cumulative %	otal	% of Variance	Cumulative %		% of Variance	Cumulative %
1	.5.337	25.666	25.666	.5.337	25.666	25.666		22.296	22.296
2	.494	11.493	37.159						
3	.298	9.982	47.141						
4	.063	8.179	55.320						
5	938	7.216	62.536						
6	896	6.896	69.432						
7		5	7						

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	76 7	.902	5.335						
8	 73 0	5 .615	8 0.949						
9	 63 8	4 .907	8 5.857						
10	 63 3	4 .870	9 0.727						
11	 52 1	4 .007	9 4.734						
12	 34 9	2 .687	9 7.421						
13	 33 5	2 .579	1 00.000						
Extraction Method: Principal Component Analysis.									

The initial eigen values, that is eigen values before Varimax rotation, for first four factors are above one, indicating these are major aspects underlying dimensions personality type of working women. The above factor of personality type together explains 22.296 per cent of the variances in the actual data pertaining to dimensions of personality type of working women.

The variable Personality Type was found to have a negative insignificant correlation with Age Group (R= -.063; P=.061) indicating weak relationship between the variables. On the other hand, Personality type was found to have no correlation but significant relationship with Marital Status (R= .000; P=.000). Personality Type was found to have positive insignificant correlation with Income (R= .058; P=.079) and Family type (R= .032; P=.215) indicating that when income and family type goes up by 1, personality type also increases significantly. On the other hand, Personality type has negative significant correlation with Occupation (R= -.141; P=.000) indicating weak relationship between the variables.

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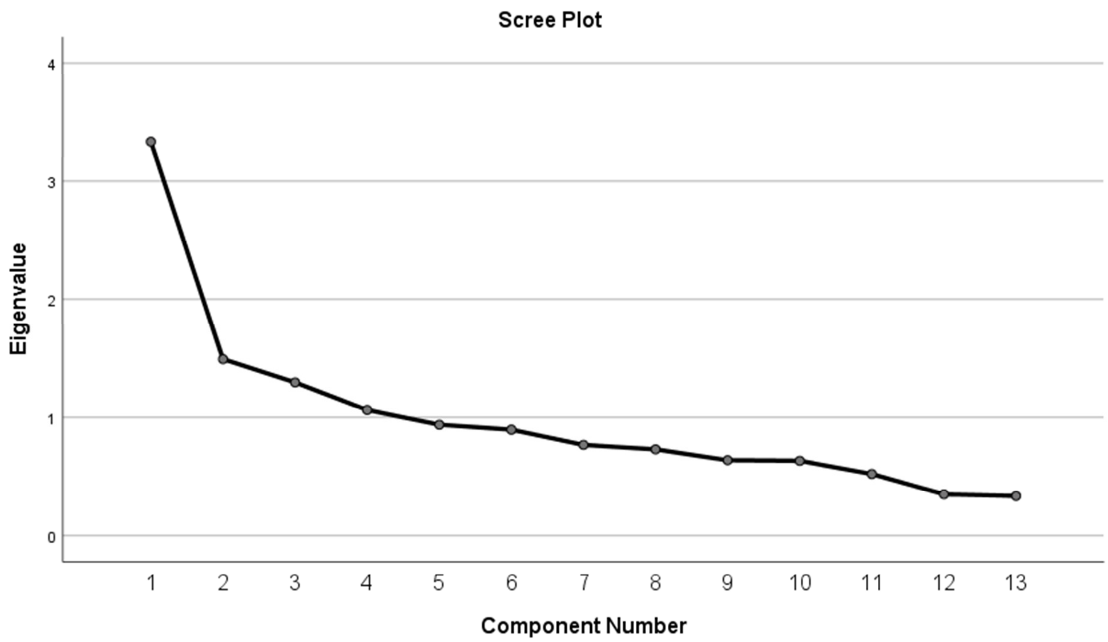

In the above Scree plot the mountain point ends at eigen value '1', which is also coinciding with Kaiser Criterion. Hence, it is undoubtedly concluded that there are four major Factors Underlying dimensions of personality type of working women.

Eigen values of Factors Underlying dimensions of Diverse Organizational Stress of working women.

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.206	32.063	32.063	3.206	32.063	32.063
2	1.766	17.658	49.721			
3	1.202	12.023	61.744			
4	.969	9.686	71.430			
5	.797	7.969	79.399			
6	.654	6.536	85.936			
7	.450	5.6.502	90.438			
8	.423	5.6.229	95.6.667			
9	.294	2.943	97.610			
10	.239	2.390	100.000			
Extraction Method: Principal Component Analysis.						

The initial eigen values, that is eigen values before Varimax rotation, for first three factors are above

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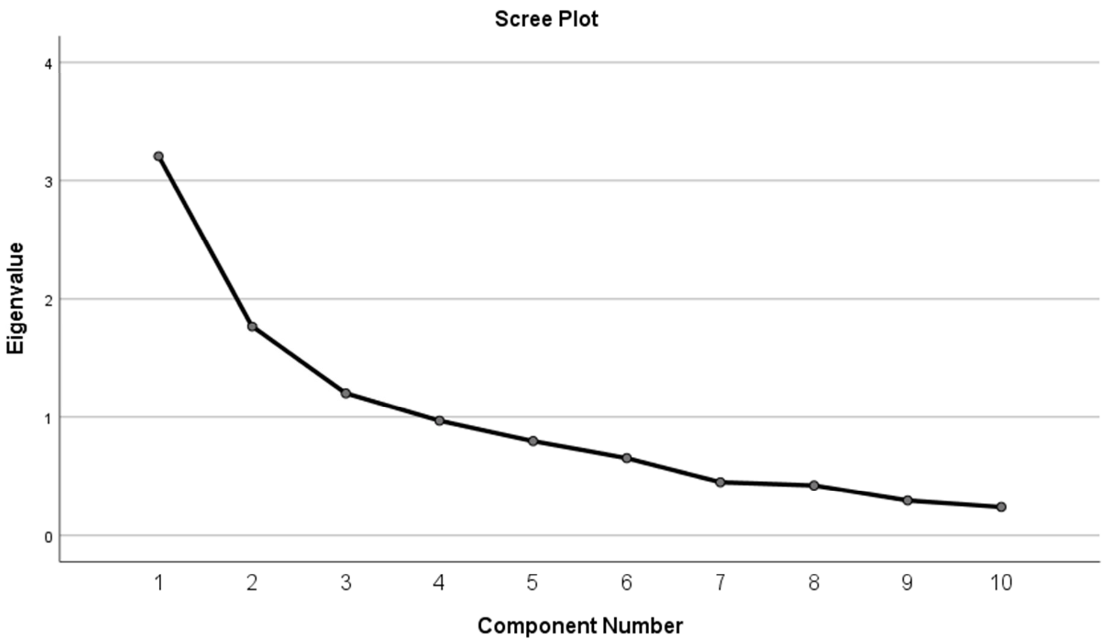
one, indicating these are major aspects underlying dimensions Diverse Organizational Stress of working women. The above factor of Diverse Organizational Stress together explains 32.063 per cent of the variances in the actual data pertaining to dimensions of Diverse Organizational Stress of working women.

The variable Diverse organizational Stress was found to have a negative insignificant correlation with Age Group (R= -.010; P=.406) indicating weak relationship between the variables. On the other hand, Diverse Organizational Stress was found to have no correlation but significant relationship with Marital Status (R= .123; P=.001). Diverse Organizational Stress was found to have negative significant correlation with Income (R=-200; P=.000) and Family type (R= -.192; P=.000) indicating that when income and family type goes up by 1, Diverse Organizational Stress also decreases significantly. On the other hand, Diverse Organizational Stress has positive significant correlation with Occupation (R= .151; P=.000) indicating when occupation goes up by 1, Diverse organizational Stress also increase significantly.



In the above Scree plot the mountain point ends at eigen value '1', which is also coinciding with Kaiser Criterion. Hence, it is undoubtedly concluded that there are three major Factors Underlying dimensions of Diverse Organizational Stress of working women.

Eigen values of Factors Underlying dimensions of Coping Strategies of working women

Total Variance Explained						
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% Of Variance	Cumulative %	Total	% Of Variance	Cumulative %
1	2.692	53.838	53.838	2.692	53.838	53.838
2	.806	16.123	69.961			

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3	.598	11.970	81.931			
4	.486	9.729	91.659			
5	.417	8.341	100.000			
Extraction Method: Principal Component Analysis.						

The initial eigen values, that is eigen values before Varimax rotation, for first factor is above one, indicating these are major aspects underlying dimensions Coping Strategies of working women. The above factor of Coping Strategies together explains 53.838 per cent of the variances in the actual data pertaining to dimensions of Coping Strategies of working women. Coefficient of correlation (R) is 0.140, which shows a relationship between Socio-economic determinants and Coping Strategies with r square 0.020 the Socio-economic determinants contributes 2% of the Coping Strategies and r adjusted square is .010 indicates no variation of Coping Strategies by Socio-economic determinants.

ANOVA results show the analysis of the significance of multiple regression where the value is lesser than 0.05, indicating the model significant, which means the personality, impulsive buying behaviour, Anxiety symptoms , work -life balance, coping strategies, life events (IV) are significant with Organizational Stress (DV), as the p-value is lesser than 0.05.

Summary of Findings and Suggestions:

The effect of Marital Status is insignificant and its coefficient is negative indicating and unrelated to Personality Type and Income is insignificant and its coefficient is positive indicating greater the proportion of income, greater the proportion of Personality Type.

The effect of Occupation is significant and its coefficient is positive indicating that greater the proportion of Occupation, greater the Diverse Organizational Stress. The effect of Marital Status is significant and its coefficient is positive indicating when Marital Status goes up by 1, Diverse Organizational Stress also increases significantly and Income is significant and its coefficient is negative indicating when income goes up by 1, Diverse Organizational Stress also decreases.

Majority of the surveyed women responded towards Self-assessment scale on work-life balance of working women attributes as Disagree which constitutes 46.86% of the sample survey. 23.31% responded towards Self-assessment scale on work-life balance of working women attributes as Neither agree nor disagree, 14.78% responded towards Self-assessment scale on work-life balance of working women attributes as Strongly Disagree, 11.08% responded towards Self-assessment scale on work-life balance of working women attributes as Agree and 3.97% responded towards Self-assessment scale on work-life balance of working women attributes as Strongly agree.

Majority of the surveyed women responded towards Coping Strategies Attributes as Rarely which constitutes 34.13% of the sample survey. 24.63% responded towards Coping Strategies Attributes as Never, 23.37% responded towards Coping Strategies Attributes as Sometimes, 12.13% responded towards

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Coping Strategies Attributes as Quite often and 5.73% responded towards Coping Strategies Attributes as Almost always.

The mean value of all the Impulsive Buying Tendency of working women attributes is between 3- 3.5 in the Likert scale which reveal that all the respondents have faced Impulsive Buying Tendency Attributes neutrally.

Majority of the surveyed women responded towards Impulsive Buying Tendency Attributes as Neither agree nor disagree which constitutes 35.90% of the sample survey. 26.55% responded towards Impulsive Buying Tendency Attributes as Agree, 13.90% responded towards Impulsive Buying Tendency Attributes as Strongly agree, 13.28% responded towards Impulsive Buying Tendency Attributes as Disagree, and 10.37% responded towards Impulsive Buying Tendency Attributes as Strongly disagree.

The Impulsive buying behaviour contributes 2.6% of the personality, different organizational stress, diverse anxiety symptoms level, work -life balance, coping strategies, life events and r adjusted square is .016 indicating significant variation of Impulsive buying behaviour by personality, different organizational stress, diverse anxiety symptoms level, work -life balance, coping strategies, life events.

Suggestions

Impulse buying behaviour was found to be affected due to occupational stress of women working in different types of services, nature of their dependency on family and the demographic characteristics. Various Suggestions regarding new strategy of the marketer and retailer in terms of supporting working women for the betterment of their work life, family life and well-being is discussed so that women can act as rationale future buyer.

In order to avoid impulse buying behaviour amongst working women, marketers may attract special discounts on limited quantity purchase rather than on bulk purchases and allow them to buy limited quantity of items to avoid hoarding.

Special Happy hours discounts would attract women to buy only during the specific hours which would allow them to attain better work-family life.

Marketing managers may approach co-operate organizations post working hours so as to allow their employees to purchase daily essentials so as to avoid additional hours of travelling for shopping.

Heavy Discounts during Seasonal holidays like Diwali, Christmas etc should be inculcated so as to avoid women buyers on working days.

Counsellor must be provided in every shop in order to assist them in identifying consumer's need and direct them accordingly which would thereby save time for unplanned buyers.

Marketers must provide direct discounts on products rather than providing free promotional products which would thereby reduce irrational buying.

Credit cards must attract additional charges so as to avoid impulse buying.

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Retail prices of the products must not fluctuate often but rather it should be set as per the market price so that consumers would buy only when required instead of buying due to price drop.

Sales person should be given training with the perspective of not insisting a buyer to purchase but rather allow the consumers to make their own buying decisions.

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SOCIAL CAPITAL: INDISPENSABLE IN LEADING TO FUNCTIONING OF THE ORGANIZATIONS AND DEVELOPMENT OF SOCIETY

Dr. Radhika Kapur

Abstract

The individuals, belonging to all occupations, communities, categories and backgrounds need to focus upon up-gradation of social capital on a regular basis. In order to achieve desired goals and lead to up-gradation of one's overall standards of living, it is indispensable to focus upon social capital. Various types of modern, scientific and innovative methods need to be put into operation to lead to up-gradation of social capital. When the individuals are putting emphasis upon enhancement of social capital, they need to ensure, it proves to be beneficial to the individuals, all types of organizations and society as a whole. One cannot carry out various job duties in seclusion. Hence, it is of utmost significance for the individuals to work in collaboration and integration with others. In other words, teamwork should be encouraged. When individuals are working in a team, they will be able to contribute significantly in enhancing social capital. The traits of collaboration, co-operation, association and communication need to be reinforced in order to lead to up-gradation of social capital. Therefore, it is comprehensively understood, social capital is indispensable in leading to functioning of the organizations and development of society. The main concepts that are taken into account in this research paper are, methods of leading to up-gradation of social capital, types of social capital and up-gradation of social capital contributes significantly in enhancing one's overall living conditions.

Keywords: Enhancement, Functioning, Methods, Organizations, Skills, Social Capital, Society

Social capital is referred to the networks of social relationships among individuals in a society. When one is putting emphasis upon leading to functioning of the society in an adequate manner, it is necessary to focus upon reinforcement of social capital. Social capital is the shared norms, values and understandings that facilitate co-operation with or among groups (Kenton, 2021). One needs to work in collaboration and integration with each other to achieve the desired goals. In the present existence, with advancements taking place and with the advent of modernization and globalization, one is required to augment their knowledge and understanding in terms of modern, scientific and innovative methods.

Within the course of putting into operation various tasks and activities in personal as well as in professional lives, one is required to make use of these methods. The utilization of these methods in an appropriate manner will render an important contribution in doing well in one's job duties and in generating the desired outcomes. The various types of modern, scientific and innovative methods are, charts, maps, graphs, models, pictures, images, structures, designs and so forth. In educational institutions at all levels and in various types of employment settings, one is required to make use of these methods. Therefore, the utilization of the methods is favourable and meaningful in leading to up-gradation of social capital.

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The reinforcement of social capital takes place by establishing bonds and networks among individuals (Definitions of Social Capital, n.d.). The effective communication processes are regarded as the key to do well in one's job duties and to achieve the desired goals. Communication takes place in a verbal as well as in a written form. Verbal communication takes place face to face or over the phone. Whereas, written communication takes place through letters, notices, messages and emails. The individuals are making use of technologies on a comprehensive basis. These are not only made use of to facilitate communication processes in an effective manner, but they are also made use of to generate ideas, and information in terms of various subjects, concepts and factors. In leading to reinforcement of social capital, one needs to be informative and well-equipped in terms of various methods, procedures, approaches and strategies. When one is focusing towards bringing about improvements or need to make changes in various factors, one is required to utilize knowledge and competencies in an appropriate manner. The individuals need to conduct research on regular basis to generate information in terms of various subjects and concepts. Therefore, the individuals, belonging to all communities, categories and backgrounds need to focus upon up-gradation of social capital.

Social capital is meaningful in personal and in professional lives of the individuals (What is Social Capital? n.d.). In educational institutions at all levels and in various types of organizations, teamwork is encouraged. The instructors, supervisors and employers encourage the individuals to work in a team. When one is working in a team, one will be able to benefit in number of ways, i.e. do well in one's job duties, achieve the desired goals, generate information regarding various methods, procedures, approaches, provide solutions to various types of problems, develop motivation and lead to up-gradation of the overall structure of the organization. In this manner, up-gradation of social capital takes place. Within homes, when the individuals are putting into practice various types of household responsibilities, they need to contribute in a significant manner in leading to up-gradation of social capital. One needs to obtain help and support from others, particularly helpers and service providers. As these individuals carry out the job duties of plumbing, carpentry, gardening, electric work, repair work, cleaning, preparation of meals and so forth. Hence, communication needs to take place in an effective manner with them. Therefore, teamwork and obtaining support from helpers and service providers will contribute in a significant manner in enhancing social capital.

Methods of leading to Up-gradation of Social Capital

The individuals are different from each other in terms of various factors, i.e. caste, creed, race, religion, ethnicity, age, gender, occupations, educational qualifications, personality traits, cultures, communities, categories and backgrounds. The individuals are engaged in number of tasks and activities in accordance to their competencies and abilities (Fukuyama, n.d.). When they are working towards achieving the common goal or an objective in educational institutions and employment settings, they need to put into operation the measures and strategies that are regarded as essential in leading to up-gradation of social capital. When the measures and strategies are put into practice in an effective manner, one will be able to do well in one's job duties, achieve the desired goals, and generate information regarding various methods, procedures, and approaches. Therefore, it is of utmost significance for the individuals to be well-versed in terms of methods of leading to up-gradation of social capital on a regular basis. These are stated as follows:

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Utilization of Modern, Scientific and Innovative Methods

The individuals are required to augment their knowledge and understanding in terms of modern, scientific and innovative methods. Within the course of putting into operation various tasks and activities in personal as well as in professional lives, one is required to make use of these methods. The utilization of these methods in an appropriate manner will render an important contribution in doing well in one's job duties and in generating the desired outcomes. The various types of modern, scientific and innovative methods are, charts, maps, graphs, models, pictures, images, structures, designs and so forth. In educational institutions at all levels and in various types of employment settings, one is required to make use of these methods. The implementation of these methods make the tasks more manageable. Hence, it can be stated, the utilization of the methods is favourable and meaningful in enhancing social capital. Therefore, utilization of modern, scientific and innovative methods is a method of leading to up-gradation of social capital. This is acknowledged by the individuals, belonging to all fields.

Putting into Operation Effective Communication Processes

The effective communication processes are regarded as the key to do well in one's job duties and to achieve the desired goals. Communication takes place in a verbal as well as in a written form. Verbal communication takes place face to face or over the phone. Whereas, written communication takes place through letters, notices, messages and emails. The individuals are making use of technologies on a comprehensive basis. These are not only made use of to facilitate communication processes in an effective manner, but they are also made use of to generate ideas and information in terms of various subjects, concepts and factors. Through the utilization of various forms of technologies, the communication processes regarding articles, projects, reports, pictures and so forth takes place in a less time consuming and efficient manner. Therefore, putting into operation effective communication processes is a method of leading to up-gradation of social capital. This method is the lifeline to implement job duties, tasks and activities.

Being well-equipped in terms of various Methods, Procedures, and Approaches

The individuals, belonging to all occupations are required to be informative and well-equipped in terms of various methods, procedures, and approaches. These are regarded as fundamental within the course of putting into operation various types of job duties and generation of desired outcomes. When individuals are focusing towards bringing about improvements or need to make changes in various factors, one is required to utilize knowledge and competencies in an appropriate manner. The individuals need to conduct research on regular basis to generate information in terms of various subjects and concepts. Hence, the individuals, belonging to all communities, categories and backgrounds need to focus upon up-gradation of various methods, procedures, and approaches. Furthermore, getting engaged in regular practice will enable them to be well-versed in terms of these methods. Therefore, being well-equipped in terms of various methods, procedures, and approaches is a method of leading to up-gradation of social capital. This method needs to be put into operation to a major extent, particularly when the individuals are focused upon implementation of job duties and achievement of goals and objectives.

Promoting Teamwork

In educational institutions at all levels and in various types of employment settings, teamwork is encouraged. It is regarded as enriching to the members as well as the overall structure of the organizations.

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In other words, the instructors, supervisors and employers encourage the individuals to work in a team. When one is working in a team, one will be able to benefit in number of ways, i.e. they will do well in their job duties; achieve the desired goals; generate information regarding various methods, procedures, approaches; provide solutions to various types of problems; augment their skills and abilities; depict efficiency and righteousness; develop mutual understanding with others; implement the traits of morality and ethics; inculcate the traits of diligence, resourcefulness and conscientiousness; develop motivation and lead to up-gradation of the overall structure of the organization. In this manner, up-gradation of social capital takes place. Therefore, promoting teamwork is a method of leading to up-gradation of social capital. This method has proven to be beneficial and meaningful to the individuals within the course of pursuance of education and in implementing job duties within employment settings.

Obtaining support from Helpers and Service Providers

Within homes, when the individuals are putting into practice various types of household responsibilities, they need to contribute in a significant manner in leading to up-gradation of social capital. Obtaining support from helpers and service providers is regarded as meaningful and efficacious in leading to up-gradation of social capital. The reason being, there are some job duties, which cannot be carried out on one's own and one has to obtain help from others. One needs to obtain help and support from others, particularly helpers and service providers. As these individuals carry out the job duties of plumbing, carpentry, gardening, electric work, repair work, cleaning, preparation of meals and so forth. Hence, communication needs to take place in an effective manner with them. Hence, obtaining support from helpers and service providers will contribute in a significant manner in enhancing social capital. Therefore, obtaining support from helpers and service providers is a method of leading to up-gradation of social capital. This method is usually implemented more in urban communities as compared to rural communities.

Augmenting Skills and Abilities

The individuals need to focus upon augmenting skills and abilities on a regular basis. From the stage of early childhood, throughout the lives of the individuals, one needs to pay attention towards honing skills and abilities. The different types of skills that need to be honed are, communication skills, analytical skills, problem-solving skills, critical thinking skills, time management skills, creative skills, technical skills, cognitive skills, presentation skills, professional skills, personal skills, leadership skills and negotiation skills. These are put into operation within the course of implementation of job duties in personal and professional lives. The abilities, which are focused upon are, possessing the abilities to work under stress and coping with various types of problems and challenges in an effective manner. Furthermore, they contribute in an effective manner in up-gradation of social capital. Therefore, augmenting skills and abilities is a method of leading to up-gradation of social capital. This method has been beneficial to the individuals, particularly when they are determined towards enhancing one's career prospects and leading to enrichment of their overall living conditions.

Implementing Time Management Skills

Throughout the lives of the individuals, they need to put emphasis upon implementation of time management skills. In the personal and professional lives of the individuals, one needs to take out time for all tasks and activities. In some cases, the tasks are more time consuming, whereas, in other cases, they are

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less time consuming. All the members of the organization, irrespective of their job positions in the hierarchy need to take out time for all tasks and activities. Hence, implementing time management skills is regarded as indispensable, throughout one's jobs. In the implementation of these skills in an effective manner, one is able to take out time for all tasks and activities. One avoids procrastination. The tasks, which are more important are carried out first, whereas, other tasks are given second preference. The individuals assign priorities to the tasks. When all job duties are carried out on time, one will be able to render a significant contribution in leading to up-gradation of social capital. Therefore, implementing time management skills is a method of leading to up-gradation of social capital. This method has enabled the individuals to take out sufficient time for all tasks and activities.

Providing Solutions to various Problems

Problems are regarded as an integral part of the lives of the individuals. One needs to make provision of solutions to various types of problems. Furthermore, they need to be prevented from assuming a major form. Problems are regarded as major impediments within the course of implementation of job duties and achievement of goals and objectives. They can be solved either on one's own or through obtaining support and assistance from others. The individuals need to generate information and form cordial and amiable terms and relationships with others. These are regarded as fundamental in achieving the desired goals as well as in up-grading social capital. In educational institutions and employment settings, all the members, irrespective of their job positions in the hierarchy need to hone their problem-solving skills. Therefore, providing solutions to various problems is a method of leading to up-gradation of social capital. This method has enabled the individuals to augment problem-solving skills and provide solutions to various types of problems in an appropriate manner.

Establishing Contacts with Former Colleagues and Alumina

It is apparently understood that in educational institutions of all levels and employment settings in order to do well in one's jobs and in achieving desired goals and objectives, one needs to augment one's knowledge and understanding in terms of various aspects. Establishing contacts with former colleagues and alumina is regarded as one of the indispensable methods to do well in one's job duties, achieve the desired goals, generate information regarding various methods, procedures, approaches, provide solutions to various types of problems, develop motivation and lead to up-gradation of the overall structure of the organization. Former colleagues are the ones, who have been transferred to other branches or have changed their jobs. On the other hand, alumina are the individuals, who have graduated from educational institutions. These individuals are experienced and possess the essential information. Hence, communication with them is enriching and beneficial. This method is regarded as the key in achieving the desired goals as well as in up-grading social capital. Therefore, establishing contacts with former colleagues and alumina is a method of leading to up-gradation of social capital. This method has been enriching to the individuals, particularly when they are focused upon enhancing their career prospects.

Implementing Peaceful Conflict Resolution Methods

Within homes, in educational institutions at all levels and in various types of employment settings, in some cases, there are occurrence of conflicting situations among individuals. Conflicts may take place in a major as well as in a minor form. These are regarded as major impediments within the course of

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implementation of job duties, achievement of goals and objectives and formation of sociable terms and relationships with others. Hence, they need to be prevented from assuming a major form. All the individuals, irrespective of their communities, occupations, categories and backgrounds need to be well-versed in terms of peaceful conflict resolution methods. When these methods will be implemented in an efficient manner, one will develop mutual understanding and form cordial and amiable terms and relationships with others. This method is regarded as useful and efficient in achieving the desired goals as well as in up-grading social capital. Therefore, implementing peaceful conflict resolution methods is a method of leading to up-gradation of social capital. This method has rendered an indispensable contribution in forming pleasant and sociable terms and relationships among individuals and leading to up-gradation of the overall structure of the organizations.

Types of Social Capital

The individuals need to be informative in terms of ways of leading to up-gradation of social capital, when they have common goals and objectives to achieve. For example, in employment settings, when they are focused upon bringing about changes in infrastructure, amenities and facilities, they need to pay attention towards up-gradation of social capital. When up-gradation is to take place, one needs to acquire an efficient understanding of the types of social capital. When the individuals are conducting research on social capital, they need to be well-equipped in terms of types of social capital. These are, bonding, bridging and linking (Types of Social Capital, n.d.). These are stated as follows:

Bonding

Bonding is referred to attachment, closeness and connection. In the personal as well as professional lives of the individuals, when they have a common goal or an objective to achieve, they need to develop mutual understanding and work in collaboration and integration with each other. Bonding is the type of social capital, which puts emphasis upon establishing connections and relationships among individuals. In this manner, they are able to generate ideas and information in terms of various aspects, develop motivation, provide solutions to various problems, do well in one's job duties and generate the desired outcomes. When individuals are wholeheartedly determined towards putting into operation various job duties in a well-organized manner and achievement of desired goals, they will have to contribute in a significant manner in reinforcing the social capital of bonding. In other words, one needs to put in efforts to their best abilities to achieve the desired goals and objectives. The strengthening of bonding, not only enables the individuals to do well in one's job duties and achieve the desired goals, but it will also facilitate in incurring the feelings of pleasure and contentment. Therefore, one is able to understand that when bonding is up-graded, the individuals are able to benefit to a major extent.

Bridging

Bridging is referred to linking, connecting and associating. In the personal as well as professional lives of the individuals, when they have a common goal or an objective to achieve, they need to develop mutual understanding and work in association and integration with each other. Emphasis needs to be put upon promoting teamwork. Bridging is the type of social capital, which puts emphasis upon establishing networks and associations among individuals. In this manner, they are able to generate ideas and information in terms of various aspects, develop motivation and enthusiasm, provide solutions to various problems, do

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well in one's job duties and achieve the desired goals. When individuals are wholeheartedly determined towards putting into operation various job duties in a well-organized manner and achievement of desired goals, they will have to contribute in a significant manner in strengthening the social capital of bridging. In other words, one needs to put in efforts to their best abilities to achieve the desired goals and objectives. The strengthening of bridging not only enables the individuals to do well in one's job duties and achieve the desired goals, but it will also facilitate in incurring the feelings of pleasure and contentment. Therefore, in all types of organizations when bridging will be up-graded, the members will contribute in promoting well-being and goodwill.

Linking

Linking is referred to networking, relating, connecting and joining. In the lives of the individuals in both personal and professional spheres, when they have a common goal or an objective to achieve, they need to develop mutual understanding and work in co-ordination with each other. All members need to focus upon promoting teamwork. Linking is the type of social capital, which puts emphasis upon establishing systems, setups and alliances among individuals. In this manner, they are able to generate information in terms of various aspects, exchange ideas and viewpoints, develop motivation and fervour, provide solutions to various problems, do well in one's job duties and achieve the desired goals. When individuals are wholeheartedly determined towards putting into operation various job duties in a well-organized manner and achievement of desired goals, they will have to contribute in strengthening the social capital of linking. In other words, one needs to put in efforts to their best abilities to do well in one's jobs and achieve the goals and objectives in personal and professional spheres. The strengthening of linking not only enables the individuals to do well in one's job duties and achieve the desired goals, but it will also facilitate in incurring the feelings of pleasure and contentment. Therefore, one can understand the meaning and significance of social capital of linking.

Up-gradation of Social Capital contributes significantly in enhancing one's overall Living Conditions

When the individuals are working towards achieving the common goal or an objective in educational institutions and employment settings, they need to put into operation the measures and strategies that are significant in leading to up-gradation of social capital. When the measures and strategies are put into practice in an effective manner in enhancing social capital, individuals will benefit to a major extent. These are, they will be able to do well in one's job duties, achieve the desired goals, and generate information regarding various methods, procedures, and approaches. It is comprehensively understood, when the individuals attain success in their studies and job duties, they are able to not only lead to enhancement of their career prospects, but also the overall living conditions. In educational institutions, one is able to get the degree or diploma and in employment settings, one acquires promotional opportunities. In this manner, one will lead to enhancement of one's overall living conditions. Therefore, one can understand that up-gradation of social capital contributes significantly in enhancing one's overall living conditions.

In leading to enhancement of living conditions, there are various aspects that need to be taken into account, i.e. being well-equipped with personal and professional goals; making wise and productive decisions; taking out time for all tasks and activities; forming cordial and amiable terms and relationships with others; implementing the traits of morality and ethics; inculcating the traits of diligence,

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resourcefulness and conscientiousness; generating information regarding various methods, procedures, and approaches; being well-versed with modern, scientific and innovative methods; coping with various types of problems in an adequate manner and possessing the abilities to work under stress. The individuals need to put emphasis upon reinforcement of these factors in their personal as well as professional lives on a regular basis. When the individuals are well-versed in terms of all these factors and put them into operation in an effective manner, they are able to not only do well in their tasks and functions and achieve the desired goals, but these will also facilitate in incurring the feelings of pleasure and contentment. These are regarded as key aspects in leading to enhancement of one's overall living conditions. Therefore, it can be stated, up-gradation of social capital contributes significantly in enhancing one's overall living conditions.

When the individuals are putting into operation various tasks and functions within the course of pursuance of education or in employment settings, emphasis needs to be put upon promoting teamwork. One cannot carry out various tasks in seclusion and one cannot up-grade social capital in enhancing one's overall living conditions by residing or working in isolation, hence, one recognizes the meaning and significance of teamwork. Through promoting teamwork, one is able to generate ideas and information in terms of various aspects, develop motivation and enthusiasm, provide solutions to various problems, do well in one's job duties and generate the desired outcomes. Furthermore the individuals will form cordial and amiable terms and relationships with others. In this manner, individuals are able to lead to up-gradation of their social circle as well. When individuals are wholeheartedly determined towards putting into operation various job duties in a well-organized manner and achievement of desired goals, they will have to contribute in a significant manner in leading to enhancement of one's overall living conditions. Therefore, it is comprehensively understood by all individuals that up-gradation of social capital contributes significantly in enhancing one's overall living conditions.

Conclusion

Social capital is referred to the networks of social relationships among individuals in a society. When individuals are putting emphasis upon leading to functioning of the society in an adequate manner, they need to focus upon reinforcement of social capital. Social capital is the shared norms, values and understandings that facilitate co-operation with or among groups. Methods of leading to up-gradation of social capital are, utilization of modern, scientific and innovative methods, putting into operation effective communication processes, being well-equipped in terms of various methods, procedures, and approaches, promoting teamwork, obtaining support from helpers and service providers, augmenting skills and abilities, implementing time management skills, providing solutions to various problems, establishing contacts with former colleagues and alumina and implementing peaceful conflict resolution methods. Types of social capital are, bonding, bridging and linking. Up-gradation of social capital contributes significantly in enhancing one's overall living conditions. Finally, it can be stated, when up-gradation of social capital takes place, one will contribute efficiently in doing well in one's job duties and in generating the desired outcomes.

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FACTORS AFFECTING ONLINE ACCOUNTING EDUCATION DURING THE COVID-19 PANDEMIC

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Abstract

Online education programs in developing countries have numerous challenges. Universities all over the globe have dealt with challenges to maintaining in-person instruction. All universities need to implement an online learning method. Students have not received enough preparation for using online learning platforms, though the pandemic break out. The current study attempts to design a research framework for exploring factors affecting how accounting students in Vietnam's public universities use online learning platforms. The theory of reasoned action (TRA), the technological acceptance model (TAM), and the social capital theory (SCT) are all combined into the research model.

Keywords: Online Learning System, Accounting Education, Covid-19 Pandemic, Higher Education Institutions, Universities, Developing Countries.

Introduction

Research Background

Stepping into the 21st century, most citizens have a tendency to pay attention to education and training. It is always of societal interest and concern in modern society. Learner-centeredness will be a key component of the education industry. According to (Biesta, 2015), education always functions in relation to three domains of purpose: qualification, socialization and subjectification. While I believe that education is a system of practices and contents that are passed down from one generation to the next through various stages and formats of teaching, study, and training. It is usual in most developing nations for students and teachers to find it challenging to participate in effective traditional teaching methods. Delivering topic knowledge and evaluating student performance through the online learning system may be among these difficulties, particularly when instructors and students are underprepared. When the COVID-19 epidemic hit in March 2020, it had a devastating effect on universities all across the world and had a significant influence on important industries such as economics and education (Gruszczynski, 2020). As a result, Vietnamese institutions have decided to use the online learning system to advance the educational process. Faculty and students have had differing opinions on the abrupt deployment of this online learning method. As a consequence, some people's learning processes have been changed, while others have temporarily stopped studying because they are unable to utilize and accept the online learning system due to a variety of obstacles. The purpose of this study is to comprehend the variables that affect students' acceptance of the online learning environment.

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The COVID-19 epidemic has had an impact on a variety of facets of people's lives, including the governmental, social, and educational spheres. The virus has killed more than 6,805,916 people globally, according to Worldometer.com, there are presently 229 nations and territories with 680,775,616 confirmed instances. Assessment of the mortality incidence is ongoing and is believed to have originated in China. In Vietnam, the Ministry of Health played a critical role to prevent and control COVID-19 through epidemiological actions such as lockdowns, isolation, tracing cases, monitoring potential cases and close interaction groups, etc. In education, physical entry to the classroom has been blocked as a result of long-term restriction. Therefore, online learning is to be found demandable as an alternative to institutional closure during this unprecedented period. During Covid-19, The Ministry of Education and Training has previously dispatched official letters to universities, universities, academies, pedagogical colleges, and pedagogical intermediate schools urging them to implement distance learning in response to the Covid-19 epidemic ecosystem in the field of education, namely the increase in users of e-learning applications and online meetings in a relatively short time. Online meeting applications, such as Google Hangouts Meet, Zoom, Skype, Microsoft Team, Webex Meet, etc. have experienced dramatically increased user growth (Daniel Hermawan, 2021).

Aware of the role and advantages of e-learning in the COVID-19 pandemic in terms of challenges and opportunities due to social capital theory, the theory of reasoned action and the technology acceptance model, the study’s purpose is to develop a research model for discovering factors influencing the use of online learning systems by accounting students in a Vietnamese public university.

Research Problems

Traditional education on the basis of theory has been included in the education of the vast majority of universities in Vietnam for a long time. Online learning systems' proponents claim that they might increase teacher efficiency and lower educational expenditures without sacrificing academic integrity (Bacow et al., 2012). Notwithstanding these advantages, (Means et al., 2009) contend that conventional colleges and universities find online learning methods to be less effective. The same is true of Vietnamese universities. Prior to the coronavirus pandemic, the majority of universities in Vietnam had not yet embraced online learning technologies. In light of this, the implementation of an online learning system in the business and accounting departments may be detrimental to the educational process.

Without special conditions that might affect their acceptance and use, previous research has focused on the difficulties and reasons preventing the adoption and use of online learning systems. A major knowledge gap has been identified regarding important aspects of the use of these systems during the COVID-19 pandemic and lack of consensus among educators on the factors that determine the adoption of online learning systems during this pandemic effectively. In light of the COVID-19 pandemic, this study investigates the key aspects that encourage the use of the current online learning system, looking at professional candidates' views on grades, assignments homework, midterm/final exam scores, study methods, assignments, research scores, final marks for enrollment in international university classes. It is important to find out if an online accounting education is superior, inferior or equal to their expectations in a traditional education. Most of them favor improved performance of current educational methods. In 2019, for the first time, International University introduced a training program specializing in accounting with the

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goal of providing high-quality human resources for the Vietnamese market as well as multinational/international corporations in Vietnam.

Research Objectives

The aim of this study is to determine how well the online accounting education in a developing country is responding during the COVID-19 pandemic. Especially. the present study investigates the determinants of the use of online learning systems by accounting students in a public university in a developing country, Vietnam.

Literature Review

The study was carried out by a group of Jordanian authors conducted in 2021 (Alshurafat et al., 2021). In the study, they showed that online education systems encounter numerous difficulties in developing nations like Jordan. Universities all over the globe have dealt with challenges to maintaining in-person instruction. All universities need to implement an online learning method. Students haven't received enough preparation for using online learning platforms, though. This research looks at the variables influencing how accounting students in Jordanian public universities use online learning platforms. The theory of reasoned action (TRA), the technology acceptance model (TAM), and the social capital theory (SCT) are all combined into one paradigm.

Besides, other study was carried out by a group of authors conducted in 2016 (Abdekhoda et al., 2016). They claimed the use of electrical technology in education through a computer and the internet is known as electronic learning or e-learning. Despite the slow pace of faculty adoption, e-learning has many advantages for both people and businesses. The goal of this research was to identify the variables affecting faculty members at Tabriz University of Medical Sciences' adoption of e-learning.

As the same topic, another study was carried out by a group of authors conducted in 2019 (Gómez-Ramirez et al., 2019). An increasing number of institutions of higher education have started using certain tools to encourage mobile learning. Studies into the variables influencing its adoption, however, need to be done more. This study outlines the factors that influence university students' adoption of mobile learning (m-learning). The study on the adoption of learning technologies has shown the theory of planned behavior (TPB) and the technology acceptance model (TAM) to be reliable and potent models. A model was developed to describe how perceptions affect the adoption of mobile learning among Colombian university students based on TPB and TAM. A self-administered questionnaire was given to 878 undergraduate university students from the Instituto Tecnologico Metropolitano (ITM), a higher education school in Colombia, to assess the acceptability of the model. The findings indicate that the intention to adopt m-learning is moderately influenced by all of the TPB and TAM constructs. Students' acceptance of m-learning is significantly influenced by their perception of its value and mindset. These findings may inspire further investigation and aid in the efficient spread of mobile learning in underdeveloped nations.

Many previous research investigations on technology adoption revealed attitude as a crucial determinant of accepting behavior (Siti et al., 2021). (Bhattacherjee & Sanford, 2009) show how having the right mindset can result in having the right intentions when adjusting to a new situation. It is believed that attitude has an impact on acceptance behavior. (Edison & Geissler, 2003). As a result, a subsequent study by (Kai-ming Au & Enderwick, 2000) that examined attitudes toward adopting new technology revealed that

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there is no meaningful connection between these attitudes and actual technology use. Therefore, TAM as the fundamental model with some constructs were well chosen in this study to investigate the factors that influence students' acceptance for online learning in higher education institution (Siti et al., 2021).

Hypothesis Development

The theoretical model proposes that the perceived utility is influenced by social trust in the context of this study. The TAM and TRA models did not develop the concept of social confidence on their own. Social trust, on the other hand, is acknowledged as a major factor that influences perceived usefulness (Dumpit & Fernandez, 2017). According to (Davis, 1989), perceived usefulness is "the extent to which a person believes that using a particular system would enhance his or her job performance". This idea is founded on how technology helps people finish tasks more quickly, be more productive, and be more effective and efficient. This concept is founded on how much technology helps users accomplish tasks more quickly, increase productivity, and improve performance and efficiency, (Bierstaker et al., 2014). The degree to which a person thinks that using a particular system would be free of effort is how (Davis, 1989) defines perceived ease of use of technology. It is clear that technology's apparent usefulness is significantly impacted by how simple it is to use. In research that looked into the factors influencing the use of computer-assisted auditing tools (CAATs) in the context of statutory auditors in a European country, (Pedrosa et al., 2020) confirmed this relationship.

On the basis of theoretical models and prior research findings explicitly mentioned above, as well as taking into consideration the variables corresponding to the traits of the target group, which consists of accounting students at the International University-VNU. The following hypotheses were proposed.

Hypothesis 1: Subjective norms affect behavior intention.

Subjective norms can be seen as the social pressure that individuals perceive to perform a certain behavior. More explicitly, behavior intention describes the force of the purpose for performing a particular behavior, while attitude represents the individual's positive or negative feelings about the performance of the particular behavior. With a high degree of accuracy, attitudes toward various actions, subjective norms, and perceptions of behavioral control can be used to predict intentions to engage in those behaviors. These intentions, along with perceptions of behavioral control, account for a significant portion of the variation in actual behavior. Finally, perceived behavioral control refers to the perception that people have about the ease or difficulty of performing the behavior (Ajzen, 1991).

Hypothesis H2: Perceived usability affect behavior intention.

The most significant aspects of usability as seen by users are the core usability characteristics. When perceived usability is a focus, optimizing them should be the first priority (McGee et al., 2004). TAM, established by (FM, 1986), and a variant of the TRA that is concentrated on the acceptance of new technologies have served as the foundation for numerous studies on the adoption of technologies. TAM is an attempt to connect the dots between behavior and intention by demonstrating how attitudes influence intentions, which in turn cause behavior intention.

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Hypothesis H3: Perceptive usefulness affects behavior intention.

While perceived ease of use is the degree to which a potential user believes that using the technology not to require much work, perceived usefulness refers to the extent to which an individual feels that the use of a certain system will improve his or her performance in an activity (Herrera & Fennema, 2011). Through an in-depth review of the elements taken into account by TAM, (Shin & Kang, 2015) showed that students at online institutions have started to employ mobile technology as a learning tool, which has enhanced their learning outcomes. According to (Davis, 1989), the behavioral intention to utilize a system is influenced by one's attitude about using it. Numerous research has found this link to be consistent. A highly positive attitude toward use leads to the behavioral intention to use, according to the following hypothesis, which has been developed.

Hypothesis 4: Behavior intention affects the actual use.

The actual use of technology is determined by the behavioral intention to use, claim (Ajzen & Fishbein, 1980). Theoretical models TRA and TAM also highlight this connection, (Davis, 1989). The majority of studies on online learning systems have found, empirically, that the behavioral intention to use is what most influences actual use (Hsbollah & Idris, 2009).

Research Methodology

Research Design

The objectives of the study suggest that the study should be purely descriptive. The study employs quantitative methodology. Questionnaires are utilized as a research tool in this study, which was conducted using a survey as its methodology. Surveys give researchers a rapid, effective, and accurate way to gather data on a single population.

The questionnaires are initially created based on the literature review in order to carry out the study. The applicability of the instrument items will next be examined in a pilot survey. Following that, the comments are gathered and the final questions for the major survey are revised. With a minimum sample size of 100 respondents, the primary survey is carried out by distributing survey questionnaires to target respondents.

Research Approach

According to (Aborisade, 2013), interviewing the respondents during a survey is how data was gathered from the respondents. Answers to questions on respondents' behavior, attitudes, awareness, motives, demographics, and lifestyle traits were required. Three stages of the survey were used in this study: a pilot study, a revision, and the full survey.

Sample, Sampling Method and Data Collection

The target respondents are the school's accounting major students. By examining the sample, the research can derive findings that can be applied to the entire population. Howell (2011) asserts that sample sizes of more than 30 and fewer than 500 are appropriate for the majority of investigations. As a result, a sample size of 100 students is chosen for the purpose of gathering necessary data. Convenience samples provide

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researchers the freedom to choose anyone they think is best for their research given their limited resources and time. In general, the final research is carried out using the self-administered strategy.

Pilot Test

After the questionnaire is created, a pilot survey is carried out to test a small sample in case any changes needed to be made before the launch. According to Saunders (2007), a sufficient pilot survey needs at least 10 participants. Participants will be given the opportunity to provide feedback regarding the thorough question basis, transparent construct, and precise use of wording. The questionnaire is then carefully reviewed and adjusted as a result of their responses. The last survey will then be released to collect data after that. The gathered data will be analyzed and interpreted for the next steps.

Data Analysis

Following the primary survey's data collection, SPSS, a statistical program for social science research, will be used to process the collected data. Firstly, the demographic data will be analyzed for descriptive statistics such as mean and standard deviation of the distribution. Secondly, Cronbach's Alpha, which is one of the most commonly used reliability scale measurement (Heale & Twycross, 2015) is used to test the data's validity and reliability. Next, Exploratory Factor Analysis (EFA) is utilized to explain the maximum variance in the data. Then, CFA will be used to test the model-fit, the synthetical reliability of the scale, convergent validity and discriminant validity. After the CFA result, the preceding hypotheses will be tested using multiple regression analysis.

Conclusions

This study investigates the factors that impact how accounting students use online learning systems provided by a Vietnamese public university. A research model is built on the basis of the critical factors from social capital theory (SCT), the theory of reasoned action (TRA), and the technology acceptance model (TAM). Designed questionnaires are distributed to target respondents who are studying accounting at a Vietnamese public university, International University. Gathered data will be processed and analyzed to test students' actual use of the online learning system and to examine the factors that affect the use of the system.

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TRADE LIBERALISM-CAPITAL INFLOW: AN INCLUSIVE FRAMEWORK FOR ZIMBABWE

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Abstract
This study sought to determine a framework of upholding trade liberalism for increased capital inflows in the form of Foreign Direct Investment (FDI) for Zimbabwe. The study used the ARDL-ECM in the determination of the relationship between the two variables, using data for the period 1980 to 2021. Eviews Version 9.0 Statistical Package was used to run the regressions. Data were obtained from the Reserve Bank of Zimbabwe, International Monetary Fund and World Bank. The study found that in the short-run, trade openness has a significant inverse relationship with capital flows (FDI), whilst in the long-run there is a significant positive relationship between them for Zimbabwe. The study recommend that there be duty free on capital goods, that the government give incentives on exporters, that all goods exported go through the process of value addition, that the government provide subsidies on exporters and, that the government ensure efficiency at ports through infrastructure development.
Key Terms: Trade Liberalism; Capital Flows; ARDL

1.0 Introduction

The design and implementation of policy reforms to reduce or eliminate barriers and other restrictions on trade to stimulate capital flows in many countries, especially developing economies, has received increased attention in both policy and academic circles. Proponents of trade liberalization argue that the drive provide incentives for capital inflows that create positive externalities by stimulating competition and efficiency in the domestic economy. In fact, trade liberalization policies are often designed to open the economy to foreign investment. Despite the seemingly benefits that come with trade liberalization, Zimbabwe trade liberalization policies have been marred by inconsistencies and poor implementation, limiting capital inflows. This study, therefore seeks to determine a framework that enhances growth in the capital inflows through trade liberalism for Zimbabwe.

1.1 Background of the Study

It is, noteworthy that from the postulates of international trade theories, countries are better off in a free trade regime than in autarky with respect to the different levels of specialization in production from which they have a comparative advantage. Neoclassical theorists argue that capital flows from rich countries to poor countries due to the high marginal productivity of capital in poor countries. However, Lukas (1990) found no evidence to support this assumption as the structural rigidities add to the factors that constrained

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free flow of capital. Nevertheless, many researchers such as Antras and Caballero (2007), Shah and Samdani (2015) amongst others have given credence to trade integration as ideal policy for any economy, especially a developing one given that it provides basis for improved output growth and inflow of capital. Although trade liberalization tends to contract the fiscal ability of government through reduction in tariffs and other duties, the benefits associated with it outweigh its costs (Ude & Agodi, 2015).Trade policies in most countries, especially developing economies have favoured trade integration at the expense of protectionist policy. However, controversies still exist on whether or not countries are better-off with the adoption of liberalization policies. Notably, many developing economies embraced outward economic reforms in the 1960s and 1980s at the expense of protectionist policies (Galan, 2006).

1.1.1 Zimbabwe's Trade Liberalization History

Notwithstanding the controversy surrounding the role of trade liberalization on economic development and social welfare, the momentum of trade liberalization in Zimbabwe continues. Since 1991, Zimbabwe has taken unilateral measures to liberalize its trade regime under the ESAP with the help of the Bretton Woods institutions, followed by further liberalization in the multilateral (WTO), regional (SADC, COMESA) and bilateral contexts. Currently, Zimbabwe is in its second phase of trade liberalization under ZIMPREST - the successor program to ESAP, as well as the new round of WTO, Lome Convention, SADC and COMESA trade negotiations.

Prior to the market-oriented economic reforms of 1991, Zimbabwe pursued an import substitution development strategy and implemented several controls on trade, foreign currency flows, and the exchange rate. Initially, this policy was viable, but later it caused some serious problems such as industrial inefficiency, low productivity, rent-seeking behaviour, market distortion, public sector decline, and more importantly, drying up of foreign exchange resources. By 1991, import coverage literally collapsed for several days, similar to what currently prevails (Kadenge, 1992). Thus, a general economic crisis threatened, and the government, without an alternative, adopted market reforms, which ensured the inflow of foreign currency and further support from the IMF and WB. Suffice it to note that nearly 4 years of heated debate preceded the adoption of Zimbabwe's Trade Liberalization Program in 1991.

- **Zimbabwe Exports and Imports Trends**

The volumes of exports and imports in Zimbabwe has not been increasing on a consistent manner since 1980. Figure 1.1 below shows the trend of the volumes of exports and imports in Zimbabwe for the period 1980 to 2020. From 1980 to 1998, an upward trend was recorded in both export and import volumes. In this period, imports were more than exports for several years, only exports exceeded imports in the period 1984 to 1989. The difference between exports and imports in this period was also low. However, starting in 2000, it witnessed a very large disparity between exports and imports. The trends then increased slightly until 2008, when they suddenly decreased. The trends continued to decline until 2010 and then began to rise again for the remainder of the study period. Some of the variability in these trends is a result of changing trade policies, where economic entities that import and export goods and services have been affected by some trade policies that include changes in import duties and tariffs and other barriers to international trade. Given

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that this study seeks to determine the connection between trade liberalism and capital flows, the following section discusses capital flows in the context of Foreign Direct Investment.

- **Zimbabwe Capital Flows Trends**

The Zimbabwean government inherited a highly controlled and introverted economy at independence in 1980. The business environment was associated with price controls, labour market restrictions and investment control procedures unfavourable to foreign investors (LEDRIZ, 2011). To encourage FDI, the government of Zimbabwe adopted the IMF-funded Economic Structural Adjustment Program (ESAP). The policy was designed to liberalize trade by removing controls and trade restrictions, thereby increasing FDI flows (Robinson, 2002).

In fact, the Government of Zimbabwe continues to view FDI as a core component of its growth efforts. Accordingly, the government gazetted the Zimbabwe Development Agency (ZIDA) Bill in 2019 to provide FDI comfort and security. Through the Transitional Stabilization Program (TSP) (2018-2020), and later the National Development Strategy (2021-2025). As a result, Zimbabwe's FDI inflows increased from US$23.2 million to US$280 million in 2019, with a record high of US$744.6 million and an average of US$244.88 million in 2018 (COMSTAT, 2021). Between 2010 and 2019, the volume of foreign direct investment as a percentage of GDP averaged 26.83%. Zimbabwe received FDI inflows on par with other developed countries such as Italy (17.94%), Germany (25.59%), France (26.69%) and the United States (29.42%) (UNCTAD 2019).

Zimbabwe received FDI from around the world, although China and South Africa accounted for the majority of Zimbabwe's FDI volume between 2000 and 2018 at US$556.30 million and US$625.54 million respectively. Mauritius, the United Kingdom, the United States of America and Russia are also significant investors in Zimbabwe. Zimbabwe has also received intra-regional FDI from Africa with major investing countries such as South Africa, Mauritius, Botswana, Kenya and Zambia. The ‘Look East’ policy adopted in 2003 has also benefited Zimbabwe as various projects such as Kariba South, the construction of Victoria Falls International Airport and the expansion of the Hwange Power Station have been launched in collaboration with the Chinese government. However, though seemingly increased capital flows, there is still subdued FDI to Zimbabwe. This study, therefore, seeks to recommend a trade liberalisation-Capital Flow framework which seeks to grow the inflow of capital to Zimbabwe.

2.0 Review of Related Literature

2.1 Theoretical Framework

Heckscher-Ohlin Theory

According to the theory, countries enjoy comparative cost advantage because they have different factor endowments. This is a pointer that some countries are rich in capital while some are richly endowed with labour resources. Their view of factor endowment followed two approaches which include factor ratio: In terms of factors ratio, a country is considered to be labour abundant if the ratio of the total amount of labour to the total amount of capital is greater compared to other country. This necessitates the production and

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export of labour-intensive goods by this country. Assuming there are two countries (X and Z) and two factor inputs [capital (K) and labour (L)].

More importantly, the Heckscher-Ohlin model is based on the existence of two countries, two products and two factor inputs (2x2x2) model. The exchange of goods internationally is, therefore, indirect factor arbitrage which enhances transfer of services of otherwise immobile production factors from regions of factor abundance to regions where factor inputs are relatively scarce (Leaner, 1995). However, despite various impressive clarifications provided by Heckscher-Ohlin model, it is been criticized for making some unrealistic assumptions in terms of the existence of homogenous production function, constant return to scale and absence of qualitative disparity in factor inputs among others. Again, the two countries, two commodities and two factor inputs (2x2x2) model proposed by the theory is very restrictive considering the existing realities in the contemporary world. Bringing the discussion into context, the Heckscher-Ohlin model presupposes that FDI should be finding its way into Zimbabwe, despite the policies that the Government of Zimbabwe may impose for one reason or the other, hence the need for the framework that this study seeks to recommend.

Neoclassical Theory of Capital Flows

This basic assumption of the neoclassical theory is that capital flows from rich to poor countries. This is based on the standard assumption that there exists constant return to scale and the same factor inputs. Therefore, if capital is allowed to flow freely, new investments would be created only in the poorer country (Alfaro, Kalemli-Ozcan & Volosovych, 2008). The saving-investment gap is narrowed through the inflow of capital to developing countries which stimulates the level of economic activities. However, the predictions of the neoclassical theory appear to be unrealistic which consequently generates paradox in international macroeconomics. It, follows, therefore, that Zimbabwe being a lower middle income economy, there is a sense in which it must be informed by this theory, as it proffers policies that enhances her growth.

2.2 The Empirical Framework

Antras and Caballero (2009) assessed the implications of trade integration on capital flows in less financially developed economies. The study is based on the theoretical assumption that trade integration provides the required incentives for capital mobility in developing countries. The result shows that trade integration in developing economies increased net capital inflows. The study concludes that protectionism as a capital flow rebalancing policy is detrimental to the process of growth and development in the developing countries.

Anyawu and Yamaego (2015) examined the implications of trade liberalization on foreign direct investment in Indian industries. An econometric method was adopted in analysing the panel data sourced from 78 industries for the post reform period. The results reveal that the foreign direct investment is vertically integrated as industries with higher cross border trade attracted high foreign direct investment. The study concluded that foreign equity inflows are largely dependent on the dynamic nature of domestic firms.

Ang (2008) explored the impact of institutional factors and macroeconomic policy reforms, especially credible trade liberalization on inflows of foreign direct investment in seven South Asian economies which spanned through a twelve-year period (1996-2007). Panel data were obtained for each of the countries and the

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Ordinary Least Squares (OLS) was employed as the analytical tool. The results show that poor macroeconomic policy in the form of incredible trade integration generated negative effect on inflow of foreign direct investment. The study recommended for the incorporation of political and economic policy reforms into the broad policy objective of attracting foreign direct investment.

Bahamoure-Lutz (2004) appraised the determinants of capital flows to low income countries between 2000 and 2006. The estimation method employed for analysing the panel data is standard unconstrained Classical Least Squares approach. It was evident from the findings that level of trade openness remains one of the most important country-specific drivers of private capital flows. The study concludes that open economies attract foreign direct investment as the Lukas paradox does not seems to hold for foreign direct investment.

Shah and Samdani (2015) examined the effectiveness of trade openness in stimulating FDI inflows to 36 developing economies around the world between 1990 and 2008. Specifically, these countries covered Africa, the Commonwealth of Independent States, Latin America, Asia, and Eastern Europe. The panel regression results revealed that trade openness has a long-term positive impact on the inflow of foreign direct investment. The study suggested that proactive measures should be put in place to ensure that liberalization policies provide the necessary incentives for capital inflows.

Adams (2013) examined the effectiveness of trade liberalization policies in stimulating foreign direct investment inflows to 29 sub-Saharan African economies. Import and export costs as well as the direction and quantity of documents required to complete a trade transaction were used as measures of trade liberalization. Both static and dynamic estimation tools were used to analyze the perceived relationship between key variables. Evidence from the results suggests that openness policies are positively related to foreign direct investment. The study recommended that conscious policy measures should be aimed at reducing the costs of trade in order to enhance the free flow of commodities across national borders.

Asiedu (2002) analyzed the impact of economic liberalization on FDI inflows to Pakistan. Both financial and trade liberalization were used as measures of total liberalization and the data obtained covered the period 1971-2009. The order of integration in each of the variables was analyzed using the Dickey Fuller generalized least squares test, while an autoregressive distributed lag model was adopted to detect the existence of a long-run relationship between the variables. The findings show that two indicators of liberalization, financial and trade openness as well as real interest rate negatively affected the inflow of foreign direct investment into Pakistan. Thus, the study suggested that liberalization policies in emerging economies should be coupled with concerted efforts to end corruption, political instability and financing monopolies. Shah and Samdani (2015) examined the association between trade liberalization and FDI flows to the D-8 countries comprising Nigeria, Bangladesh, Indonesia, Iran, Malaysia, Pakistan, Egypt and Turkey between 1991 and 2012. The study used panel data for countries for and found that trade liberalization had a positive and significant effect on FDI flows to D-8 countries during the study period. The study concludes that trade liberalization and other motivational factors are key predictors of FDI flows to developing countries.

Agosin and Machado (2006) conducted a study whose findings resonate with the FDI-led trade openness hypothesis. Using a panel data approach, Ghosh (2007) found a unidirectional causal relationship from FDI to trade openness in developing countries between 1970 and 1997. The same study by Agosin (2007) still found results that favour FDI-led trade. the openness hypothesis even after including other variables in the regression

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equation, such as gross domestic product (GDP) per capita, inflation, institutional quality, macroeconomic volatility, and capital control measures.

3.0 Research Methodology

According to Gujarati (2011), any violation of the assumptions of Classical Linear Regression Model (CLRM) will not only produce parameter estimates that are not Best Linear and Unbiased Estimates (BLUE) but also inefficient and inconsistent parameter estimates. The study conducted the following tests to ensure non-violation of the assumption of the Classical Linear Regression Model: normality, correlation, stationarity, and cointegration tests. The research further conducted the heteroskedasticity, multicollinearity and group normality tests to determine if the model used in the study is well specified. Time series data for the period 1980-2021 were used. The data were obtained from RBZ, IMF and WB databases. In line with theoretical literature, with some modifications, the functional form of the model that was used in this study in relation to trade liberalization and capital flows is as specified below:

$$FDI_t = \beta_0 + \beta_1 LTO_t + \beta_2 RGDP_t + \beta_3 INFL_t + \beta_4 EXD_t + \varepsilon_t$$

Where: ε_t is an error term with zero mean and a constant variance, β's are parameters to be estimated.

FDI_t	:	Foreign Direct Investment
$RGDP_t$	:	Real GGDP
LTO_t	:	Trade Openness
$INFL$	:	Inflation
EXD_t	:	External debt

As borrowed from studies which were done by Dhaliwal et al. (2011), Dhaliwal et al. (2012), Zhou et al. (2017) and Vitolla et al. (2019b), the following variables were included in the regression analyses in order to determine the relationship between them. In analysing the effect of trade openness on capital flows, the study used the ARDL model as proposed by Pesaran and Shin (1998) and Pesaran et al. (2001). The study preferred the ARDL approach because the ARDL can be applied to series that are integrated of order (1) and order (0). This means that the ARDL is appropriate regardless of the order of integration of variables. The ARDL model used was specified as follows:

$$\Delta FDI_t = \emptyset_0 + \sum_{k=i}^{n} \emptyset_1 FDI_{t-1} + \sum_{k=i}^{n} \emptyset_2 \Delta LTO + \sum_{k=i}^{n} \emptyset_3 \Delta RGDP_t +$$

$$\sum_{k=i}^{n} \emptyset^4 \Delta INFL_t + \sum_{k=i}^{n} \emptyset^5 \Delta EXD_t + \mu_t$$

If the null hypothesis is rejected, it implies that there is cointegration and the error correction model (ECM) is estimated. The ECM is used to assess the speed of adjustment towards long- run equilibrium and is specified

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as follows:

$$\Delta FDI_t = \beta_0 + \sum_{i=0}^{p} \beta_1 \Delta LTO_{t-1} + \sum_{i=0}^{q} \beta_2 \Delta RGDP_{t-1} + \sum_{i=0}^{r} \beta_3 \Delta INFL_{t-1} + \sum_{i=0}^{s} \beta_4 \Delta EXD_{t-1} + ECM_{t-1} + \mu_t$$

Where, ECM is the error correction term, β_0 is the constant, β_1 to β_4 are the short-run impact multipliers and *p, q, r, s* are the lag length which were determined by the Akaike information criterion.

4.0 Results of the Study

4.1 Normality Test

Table 4.1: Normality Test Results

	FDI	RGDP	LTO	EXD	INFL
Mean	124797983.7	15153009556	0.401689	59.91536	3613272.43
Median	4000000000	14976453900	0.332151	61.11235	3.91015261
Standard Deviation	175139154.4	3033880452	0.183936	25.65727	2.30488654
Kurtosis	2.057640141	-1.349018108	-0.154431	2.462666	40.9990011
Skewness	1.571545928	-0.118155154	1.045597	0.963112	6.40301028
Minimum	-30506683.75	9582735200	0.201870	12.03111	-2.40950000
Maximum	717865322.2	20114560000	0.860019	146.5215	147597576
Jacque-Bera	33.18396	4.521546	3.224618	56.76471	33.59876
P-Value	0.082868	0.902854	0.756395	0.068456	0.00018
Observations	41	41	41	41	41

Source: E-Views Statistical Packages Version 9.0

Table 4.1 above shows the mean, median, minimum, maximum and standard deviation valued of the variables used in the regression model. The mean values of FDI, RGDP, LTO and INFL are greater than their medians and the data of these variables are positively skewed except for RGDP which is negatively skewed. The mean value of EXD is lower than its median. The coefficient of variation of FDI of 1.4 (standard deviation divided by the mean) is greater than 1 which means that FDI has high variability around its mean. The coefficient of variation of RGDP is 0.20 which is less than 1. This means that RGDP is not very volatile. The coefficient of variation of LTO is 0.45 which is less than 1. This means that LTO is not very volatile. In the same manner, the coefficient of variation of EXD is 0.43 which is less than 1. This means that EXD is not very volatile. The coefficient of variation of INFL is 6.37 which exceeds 1. This means that INFL is very volatile.

4.2 Correlation Test

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Table 4.2: Karl Pearson Correlation Matrix Test Results

	FDI	LTO	RGDP	INFL	EXD
FDI	1.000000				
LTO	0.68	1.000000			
RGDP	0.58	0.24	1.000000		
INFL	-0.05	-0.01	-0.18	1.000000	
EXD	0.09	0.14	0.03	0.36	1.0000000

Source: E-Views Statistical Packages Version 9.0

The above correlation matrix shows that there is no multicollinearity between the variables because all the correlation coefficients are less than the 0.8 which is the rule of thumb of multicollinearity (Gujarati, 2003). The correlation matrix also shows that LTO, RGDP and EXD are positively correlated with FDI, whilst INFL has a negative association with FDI.

4.3 Unit Root Test

Table 4.3 ADF Unit Root Test Results

Variable	ADF test statistic	Critical value 1%	Critical value 5%	Critical value 10%	Probability	Comment
FDI	-2.6698	-3.6056	-2.9369	-2.6069	0.0008	I(0)
LTO	-4.6778	-3.6105	-2.9389	-2.6079	0.0005	I(1)
RGDP	-3.2769	-3.6329	-2.9484	-2.6128	0.0023	I(0)
INFL	-6.3039	-3.6056	-2.9369	-2.6068	0.0000	I(0)
EXD	-6.3790	-3.6104	-2.9389	-2.6079	0.0000	I(1)

Source: E-Views Statistical Packages Version 9.0

The ADF test results above shows that FDI, RGDP and INFL are stationary in their level form. INFL is stationary in levels at 1% level of significance. RGDP is stationary in its level form at 5% level of significance. FDI is stationary in its level form at 10% level of significance. EXD and LTO are non-stationary in its level form.

4.4 Lag length Selection Criteria

The Akaike information criteria was used to select the lag length of the variables in the ARDL specification. Table 4.4 below shows the results of the lag length selection.

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Table 4.4: Akaike Information Criteria Lag Length Selection

Lag	LogL	LR	FPE	AIC	SC	HQ
0	-736.0789	NA*	1.46	40.05832	40.27601*	40.13506*
1	-735.6348	0.744062	1.51	40.08837*	40.34960	40.18047
2	-735.4911	0.233141	1.58	40.13465	40.43942	40.24210
3	-734.3824	1.737872	1,58	40.12878	40.47709	40.25157
4	-734.3814	0.001577	1.67	40.18278	40.57462	40.32092

Source: E-Views Statistical Packages Version 9.0

The lag length for the study was informed by AIC. Hence, a lag length of one (1) was adopted for this study.

4.5 Cointegration Test

Table 4.5: Cointegration Test Results

Significance level	I0	I1
10%	2.67	3.44
5%	3.15	4.07
2.5%	3.21	4.23
1%	4.13	5.09

F-Statistic 6.395738

Source: E-Views Statistical Packages Version 9.0

The results for the study confirm the existence of cointegration amongst variables, as supported by an F-statistic value of 6.395738, which is above the upper bound critical value at 5% levels. These results are enough to motivate study to adopt the ARDL for the long-run results, and an unrestricted Error Correction Model (ECM) to determine the short-run relationships.

4.5 ARDL-ECModel

Table 4.6 ARDL-ECM Model Test Results

Dependent Variable: Foreign Direct Investment (LNFDI)

Variable	Short-Run Co-efficient	Probability	Decision
LnLTO	-0.0113	0.007	Significant
LnRGDP	0.0391	0.021	Significant
LnINFL	0.2023	0.496	Significant
LnEXD	0.0054	0.036	Significant
ECT	-0.8431	0.000	Significant
Variable	**Long-Run Co-efficient**	**Probability**	**Decision**
LnLTO	0.1007	0.0016	Significant
LnRGDP	0.8031	0.0429	Significant

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LnINFL	-0.0174	0.024	Significant
lnEXD	-0.0609	0.047	Significant

Source: E-Views Statistical Packages Version 9.0

The results presented on the table 4.6 above shows error correction term (ECT) of 84% which is plausible for policy responsiveness. For the ECM, the trade openness has a significant negative coefficient of 0.0113. This suggest that a 1% increase in trade openness, result in a decrease in FDI by 1%. For the ARDL, the trade openness recorded a significant positive coefficient of 0.1007. This suggest that a 1% increase in trade openness, result in 10% increase in FDI. The results could have been due to that since Zimbabwe is still growing, the increased importation of capital goods, and exportation of minerals and agricultural products stimulate the desire to invest in the country in the form of capital inflows (FDI). The high coefficient of the ECT motivates policy makers to formulate policies that promote trade openness so as to grow the much needed FDI for Zimbabwe.

4.8 STABILITY TESTS

The model was diagnosed to determine if it is well specified.

Table 4.7: Stability Test Results

Test	**P-value**	**Comment**
Ramsey RESET Test	0.8089	The model is correctly specified
Serial-Correlation Test	0.9575	There is no serial correlation
Heteroskedasticity Test	0.3735	There is no Heteroskedasticity

Source: E-Views Statistical Packages Version 9.0

5.0 Conclusion and Policy Recommendations

The study found that the trade openness coefficient is statistically significant at influencing capital inflow (FDI). This means that, trade openness is important in determining capital flows in Zimbabwe. Due to globalization, most of the countries, especially developing countries have been ratifying some trade policies that had saw most countries removing trade barriers that have been in existence for so many years. The most obvious reason is that most developing nations have realized that they do not live in isolation and can grow their economies through engaging in international trade. This also could create a chance for improved capital flows into Zimbabwe since the study support that trade openness could attract capital inflows into the country.

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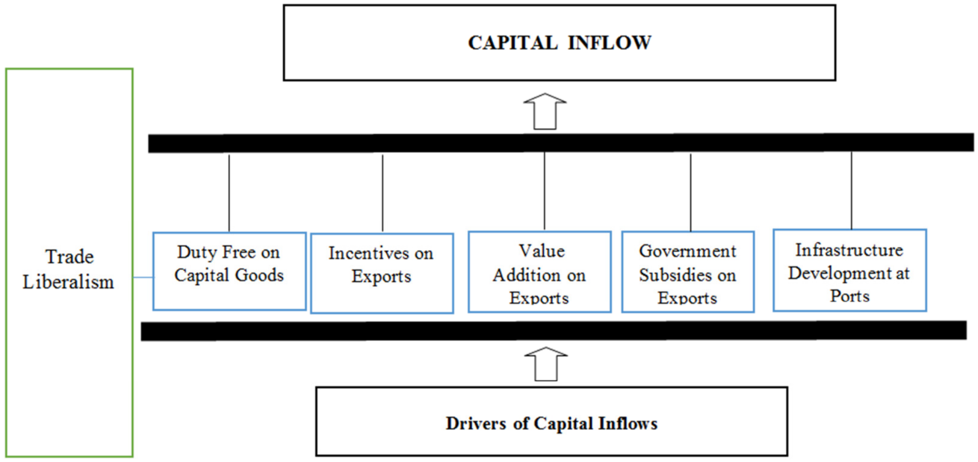

Figure 5.1: Trade Liberalism-Capital Inflow Framework (Self, 2022)

Explanation of the Framework

In an endeavor to grow the capital inflow in the face of trade liberalism, the study recommend the following;

- that there be duty free on capital goods;
- that the government give incentives on exporters;
- that all goods exported must have gone through the process of value addition;
- that the government provide subsidies on exporters and;
- that the government ensure efficiency at ports through infrastructure development

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THE IMPLEMENTATION AND IMPACT OF ARTIFICIAL INTELLIGENCE IN INTELLIGENT LOGISTICS FOR SUPPLY CHAIN EFFICIENCY IN TAIWAN

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I. Introduction

The global landscape of supply chain management has undergone a paradigm shift in recent years, with technological advancements playing a pivotal role in reshaping traditional logistics processes. In the dynamic and competitive environment of the 21st century, optimizing supply chain efficiency has become paramount for organizations seeking to gain a competitive edge. One of the transformative technologies at the forefront of this evolution is Artificial Intelligence (AI), offering unprecedented opportunities to enhance the intelligence, precision, and responsiveness of logistics operations.

Taiwan, a key player in the global technology and manufacturing arena, is faced with the imperative to adapt and innovate in response to the evolving demands of the supply chain landscape. As the backbone of economic activities, logistics in Taiwan has traditionally relied on well-established systems; however, the complexities and challenges inherent in modern supply chains necessitate a reevaluation of conventional approaches. The integration of AI into logistics processes presents an exciting prospect for Taiwan to not only address existing inefficiencies but also to set new standards for supply chain performance.

Background

The global supply chain ecosystem is characterized by its intricate network of interconnected entities, spanning across diverse geographical locations. As goods traverse through this intricate web, the efficiency of the supply chain becomes critical in meeting consumer demands, managing costs, and sustaining competitiveness. In this context, the role of logistics, which encompasses the planning, execution, and control of the movement and storage of goods, is pivotal.

In Taiwan, a nation renowned for its technological prowess and industrial prowess, the logistics sector is a linchpin in supporting the export-oriented economy. However, the conventional logistics systems in Taiwan

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are grappling with challenges such as increased customer expectations, supply chain disruptions, and the need for real-time decision-making. It is against this backdrop that the implementation of AI in intelligent logistics emerges as a strategic imperative, offering the potential to revolutionize the way supply chains operate in the Taiwanese context.

Problem Statement

Despite the clear advantages of AI in optimizing logistics, the extent of its implementation and the resulting impact on supply chain efficiency in Taiwan remain underexplored. Understanding the specific challenges faced by traditional logistics systems in Taiwan and identifying how AI can address these challenges is essential for envisioning a future where intelligent logistics play a central role in the nation's economic success.

Objectives

This research aims to address the gaps in current knowledge by undertaking a comprehensive analysis of the implementation and impact of AI in intelligent logistics for supply chain efficiency in Taiwan. The specific objectives include:

1. Analyzing the current state of logistics in Taiwan and identifying challenges in traditional systems.
2. Investigating the implementation of AI technologies in intelligent logistics within the Taiwanese context.
3. Providing insights and recommendations for stakeholders to harness the full potential of AI in enhancing supply chain efficiency in Taiwan.
4. Through this research, we seek to contribute valuable insights that can inform industry practitioners, policymakers, and academics about the transformative potential of AI in reshaping the logistics landscape in Taiwan.

Literature Review

Integration of Artificial Intelligence in Logistics Management

How is artificial intelligence being implemented in intelligent logistics for supply chain efficiency in Taiwan?

Artificial Intelligence (AI) has significantly transformed the logistics industry by improving supply chain efficiency through intelligent logistics. The integration of AI and robotics has led to significant advancements in warehouse automation, providing efficient sorting, picking, and packaging of products with increased accuracy and speed [1]. Additionally, AI plays a crucial role in ecommerce logistics, helping businesses streamline their operations and improve efficiency by route optimization and predictive maintenance of vehicles [2][3]. AI-based automated tools ensure smarter planning and efficient warehouse management, which can enhance worker and material safety through machine learning algorithms that analyze data and reduce risks of accidents and other hazards [4]. Real-time supply chain monitoring and adjustment is also made possible by AI, providing real-time visibility into the entire supply chain, from raw

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materials to finished products, and enabling businesses to identify bottlenecks and make corrections at any point in the process [5]. The integration of AI-enabled sensors throughout supply chain and logistics processes ensures that only high-quality products reach consumers, increasing customer satisfaction and loyalty [6]. AI also predicts the market, modifies orders and reroutes products in warehousing, helping enterprises alter orders and deliver in a timely manner [7]. In conclusion, the integration of AI in logistics holds great potential for enhancing the customer experience, improving supply chain efficiency, reducing costs, and increasing profitability for businesses operating in the logistics industry [8].

What are the key areas within logistics management that are being impacted by artificial intelligence?
Artificial Intelligence (AI) has transformed numerous aspects of logistics management, resulting in notable progress and advantages for businesses. One of the critical areas where AI is transforming the logistics industry is predictive maintenance. Downtime can be costly in delays and lost revenue, but the use of AI is improving logistics management by predicting when maintenance will be required to avoid any unplanned outages or downtime [2]. The incorporation of AI in supply chain and logistics activities has resulted in significant progress and advantages, including optimizing transportation routes through real-time analysis of data from various sources [8]. AI-driven route optimization in the supply chain can lead to cost savings and increased efficiency in logistics operations [8]. AI can take into account factors like traffic patterns, weather conditions, and delivery schedules to determine the most efficient routes [8]. Another key area within logistics management that is being impacted by AI includes machine learning, natural language processing, and computer vision [8]. AI is aiding in reducing costs within logistics management and is improving efficiency by impacting routine tasks in the logistics industry [3][2]. With the centerpiece of the modern logistics organization being AI and data analytics, sales and marketing activities of logistics service providers can be enhanced by AI [9][3]. Artificial intelligence is transforming the logistics industry by offering innovative solutions to the challenges faced by the logistics industry [9][2]. As AI technologies continue to develop, it is expected that they will transform different aspects of the logistics sector [8].

What are the specific technologies and tools being used to integrate AI in intelligent logistics for supply chain efficiency?
The integration of Artificial Intelligence (AI) in logistics management has revolutionized the way supply chain functions are performed. AI-powered systems are utilized to automate routine tasks such as order processing and tracking, which leads to increased efficiency and accuracy. AI algorithms enable efficient analysis of large volumes of data from various sources, resulting in better decision-making and improved planning processes. One of the critical technologies used in AI for ecommerce logistics is Predictive Maintenance, which helps identify potential equipment failures before they occur, thereby reducing downtime and increasing productivity [2]. Additionally, demand forecasting tools integrated with AI are used to predict future trends, allowing businesses to optimize inventory levels and reduce costs [2]. AI-powered customer service in ecommerce logistics helps address customer queries and concerns more efficiently [2][8]. Chatbots and virtual assistants are also being used for integrating AI in logistics, providing 24/7 support to customers and improving response times [8]. Real-time package tracking and notifications

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are enabled by AI in logistics, allowing customers to track their shipments and receive updates on delivery times [8]. The use of AI-powered route optimization systems is becoming increasingly popular in logistics companies, reducing transportation costs and enhancing driver safety [2]. In addition, logistics companies are using AI to optimize delivery routes based on data analysis of delivery locations, inventory levels, and other factors to improve delivery times and reduce fuel costs [2][10]. ERP frameworks for supply chain and logistics can also be streamlined with the help of AI, making data more event-driven and receptive over time [4]. Overall, the specific technologies and tools being used to integrate AI in intelligent logistics for supply chain efficiency are diverse and comprehensive.

Analyzing the current state of logistics in Taiwan and identifying challenges in traditional systems

1. Infrastructure and Connectivity

Taiwan boasts a robust physical infrastructure that supports its logistics network, including well-developed transportation systems, modern ports, and efficient warehousing facilities. However, challenges persist in terms of optimizing connectivity and integrating various components within the logistics network. The need for improved intermodal transportation and seamless integration of logistics processes remains a priority. Additionally, assessing the level of technological adoption in existing infrastructure is crucial to understanding the readiness for AI integration.

2. Supply Chain Visibility

The transparency and visibility across the supply chain in Taiwan exhibit varying degrees of efficiency. While some companies have adopted advanced tracking and monitoring systems, others face challenges in ensuring real-time information sharing among stakeholders. Identifying and rectifying gaps in supply chain visibility is essential to minimizing delays, mitigating disruptions, and enhancing overall operational efficiency.

3. Inventory Management

Inventory management practices in Taiwan's logistics sector show room for improvement. Challenges related to overstocking, understocking, and obsolete inventory persist, impacting supply chain efficiency. The accuracy of demand forecasting methods is a critical factor, and addressing these challenges requires a closer examination of inventory management practices and the technologies employed.

4. Customs and Regulatory Compliance

Efficiency in customs clearance procedures is integral to the smooth flow of goods across borders. While Taiwan has made strides in this regard, challenges persist, particularly in navigating the complexities of international trade regulations. A thorough analysis of the impact of regulatory compliance challenges on the speed and reliability of goods movement is necessary for informed decision-making.

5. Information Flow and Communication

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Effective communication among supply chain participants is paramount for logistics success. An analysis of communication channels reveals areas of improvement in information flow. Identifying bottlenecks and assessing the utilization of communication technologies can lead to enhanced collaboration and responsiveness within the supply chain.

6. Workforce and Skill Sets

The logistics workforce in Taiwan possesses valuable expertise; however, challenges arise in adapting to modern technologies. Evaluating the skill sets and training levels of the workforce is crucial for identifying gaps that may hinder the seamless integration of AI. Addressing these challenges involves targeted training programs and initiatives to ensure a workforce equipped for the demands of an AI-driven logistics landscape.

7. Environmental and Sustainability Practices

Taiwan acknowledges the importance of environmental sustainability in logistics but faces challenges in fully integrating eco-friendly practices. An analysis of current practices and identification of areas for improvement can guide initiatives aimed at reducing the carbon footprint of logistics operations, aligning with global sustainability goals.

8. Cost Structures and Efficiency Metrics

The analysis of cost structures associated with different logistics processes reveals variations in efficiency. Identifying key performance indicators (KPIs) used to measure efficiency provides insights into overall cost-effectiveness. This analysis is essential for understanding the economic implications of traditional logistics systems and assessing the potential for cost savings through the implementation of AI-driven efficiencies.

In conclusion, a comprehensive analysis of the current state of logistics in Taiwan reveals both strengths and challenges in traditional systems. Addressing these challenges through the strategic integration of artificial intelligence presents an opportunity to revolutionize logistics, enhancing efficiency, transparency, and competitiveness in the global supply chain landscape.

Investigating the implementation of AI technologies in intelligent logistics within the Taiwanese context

1. Adoption Trends in AI Technologies

Examining the landscape of AI adoption within the Taiwanese logistics sector reveals a growing interest in harnessing the capabilities of artificial intelligence. Companies are increasingly exploring and investing in various AI technologies, including machine learning, predictive analytics, and robotics, to optimize their logistics processes. Understanding the adoption trends provides valuable insights into the current state of AI integration.

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2. Machine Learning Applications

Machine learning, a subset of AI, has found applications in predictive analytics, demand forecasting, and route optimization within Taiwanese logistics. Companies are leveraging machine learning algorithms to analyze vast datasets, identify patterns, and make data-driven predictions. Investigating the specific applications and success stories of machine learning in logistics sheds light on the transformative impact of AI.

3. Robotics and Automation

The implementation of robotics and automation in Taiwanese logistics operations is a key area of focus. Autonomous vehicles, robotic sorting systems, and automated warehouses are becoming integral components of intelligent logistics. Exploring how these technologies are integrated into daily operations and assessing their impact on efficiency, accuracy, and labor requirements provides critical insights.

4. Predictive Analytics

Predictive analytics play a pivotal role in anticipating future trends, demand fluctuations, and potential disruptions in the supply chain. Investigating the use of predictive analytics tools within Taiwanese logistics allows for a deeper understanding of how companies leverage data to make proactive decisions, optimize inventory levels, and enhance overall supply chain resilience.

5. Case Studies of AI Implementation

Analyzing specific case studies of companies implementing AI technologies in intelligent logistics provides real-world examples of success stories and challenges. Examining the strategies employed, the technologies adopted, and the measurable outcomes allows for a comprehensive understanding of the practical implications of AI implementation in the Taiwanese context.

6. Integration Challenges

Despite the potential benefits, the implementation of AI technologies in Taiwanese logistics is not without challenges. Investigating the barriers faced by companies, such as high initial investment costs, technical complexities, and organizational resistance to change, offers valuable insights. Understanding these challenges is crucial for developing strategies to overcome obstacles and ensure successful AI integration.

7. Industry Collaboration and Innovation Hubs

Exploring collaborative efforts and innovation hubs within Taiwan's logistics industry provides insights into how companies are pooling resources, expertise, and technologies to drive AI innovation. Investigating collaborative initiatives can reveal best practices, facilitate knowledge sharing, and contribute to the overall advancement of intelligent logistics solutions.

8. Regulatory Landscape

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Examining the regulatory environment surrounding the implementation of AI in logistics is essential. Investigating how Taiwanese authorities support or regulate the integration of AI technologies provides context for industry players. Understanding regulatory considerations helps identify areas where collaboration between the government and the private sector can foster responsible and ethical AI adoption.

In summary, investigating the implementation of AI technologies in intelligent logistics within the Taiwanese context involves exploring adoption trends, specific applications, case studies, challenges, collaborative initiatives, and the regulatory landscape. This comprehensive analysis provides a holistic view of the current state of AI integration in Taiwanese logistics and sets the stage for assessing the impact on supply chain efficiency.

Providing Insights and Recommendations for Stakeholders to Harness the Full Potential of AI in Enhancing Supply Chain Efficiency in Taiwan

1. Develop a Clear AI Integration Strategy

To harness the full potential of AI in Taiwanese logistics, stakeholders should formulate a comprehensive strategy for the integration of AI technologies. This strategy should align with the specific needs and challenges of the logistics industry in Taiwan, outlining clear objectives, timelines, and key performance indicators. Engaging with AI experts and technology providers can facilitate the development of a roadmap tailored to the unique requirements of the Taiwanese supply chain.

2. Foster a Culture of Innovation and Collaboration

Creating a culture that embraces innovation and collaboration is crucial for successful AI integration. Stakeholders should encourage open communication, knowledge sharing, and cross-disciplinary collaboration within their organizations. Establishing innovation hubs, partnerships with technology firms, and collaborative initiatives within the industry can facilitate the exchange of ideas and accelerate the adoption of cutting-edge AI solutions.

3. Invest in Workforce Training and Development

Ensuring that the logistics workforce in Taiwan is equipped with the necessary skills to work alongside AI technologies is paramount. Stakeholders should invest in training programs focused on AI literacy, data analytics, and technology adoption. Collaborating with educational institutions and industry associations can help tailor training programs to the specific needs of the logistics sector, fostering a workforce that is adept at leveraging AI tools.

4. Promote Data Standardization and Interoperability

Data is the lifeblood of AI applications in logistics. Stakeholders should collaborate to establish industry-wide standards for data formats, protocols, and interoperability. This promotes seamless data exchange between different entities within the supply chain, enabling AI systems to access and analyze

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information more effectively. Standardization also facilitates the integration of diverse AI solutions, fostering a more interconnected and intelligent logistics ecosystem.

5. Address Ethical and Regulatory Considerations

As AI technologies become integral to logistics, stakeholders must prioritize ethical considerations and navigate regulatory landscapes. Establishing guidelines for responsible AI use, data privacy, and transparency is essential. Collaboration with regulatory bodies ensures alignment with evolving standards. Proactive engagement in discussions about ethical AI practices ensures that the adoption of AI technologies in Taiwanese logistics is not only efficient but also ethical and socially responsible.

6. Implement Pilot Projects for Proof of Concept

Before full-scale implementation, stakeholders should consider conducting pilot projects to validate the feasibility and effectiveness of AI solutions in specific logistics processes. These pilot projects serve as proof of concept, allowing stakeholders to identify and address challenges in a controlled environment. The insights gained from pilot projects inform the refinement of strategies and contribute to a more successful and scalable implementation across the supply chain.

7. Embrace Predictive Maintenance and Continuous Improvement

AI can revolutionize maintenance practices in logistics, reducing downtime and optimizing equipment performance. Stakeholders should explore the implementation of predictive maintenance solutions using AI algorithms to anticipate equipment failures and schedule proactive maintenance. Continuous improvement through feedback loops and performance monitoring ensures that AI applications evolve to meet the evolving needs of the logistics industry in Taiwan.

8. Collaborate with Government Initiatives

Stakeholders should actively engage with government initiatives that promote the adoption of AI in logistics. Collaborating with government agencies can facilitate access to funding, regulatory support, and infrastructure development. By participating in public-private partnerships, stakeholders can contribute to shaping policies that foster the responsible and widespread adoption of AI technologies in the Taiwanese logistics sector.

In conclusion, leveraging the full potential of AI in enhancing supply chain efficiency in Taiwan requires a strategic and collaborative approach. By developing clear integration strategies, fostering a culture of innovation, investing in workforce development, promoting data standardization, addressing ethical considerations, implementing pilot projects, embracing predictive maintenance, and collaborating with government initiatives, stakeholders can position themselves at the forefront of intelligent logistics innovation. This not only enhances operational efficiency but also contributes to the overall competitiveness and sustainability of Taiwan's logistics industry in the global market.

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Inform industry practitioners, policymakers, and academics about the transformative potential of AI in reshaping the logistics landscape in Taiwan

1. Industry Practitioners

a. AI Adoption Strategies:

Provide insights into successful AI adoption strategies employed by leading logistics companies in Taiwan.

Analyze case studies that demonstrate how AI has enhanced operational efficiency, reduced costs, and improved overall supply chain performance.

Offer recommendations for industry practitioners on how to strategically implement AI technologies in their logistics operations.

b. Best Practices for Integration:

Identify best practices for seamlessly integrating AI technologies into existing logistics processes.

Highlight successful use cases of AI applications, such as predictive analytics and automation, in addressing specific challenges faced by logistics practitioners in Taiwan.

Provide practical guidance on overcoming implementation barriers and fostering a culture of innovation within logistics companies.

c. Operational Impact Assessment:

Evaluate the operational impact of AI on key performance indicators (KPIs) such as inventory turnover, order fulfillment, and delivery times.

Quantify the efficiency gains and cost savings achieved by logistics practitioners through AI implementation.

Offer insights into how AI-driven analytics can enhance decision-making processes for logistics professionals.

2. Policymakers

a. Regulatory Frameworks:

Assess the existing regulatory frameworks related to AI adoption in the logistics sector in Taiwan.

Propose recommendations for policymakers to create an enabling environment that supports responsible and ethical AI implementation.

Advocate for policies that incentivize AI adoption, foster innovation, and address potential societal impacts of AI in logistics.

b. Public-Private Collaboration:

Highlight the importance of public-private collaboration in promoting AI initiatives within the logistics industry.

Advocate for initiatives that encourage partnerships between government agencies, research institutions, and private logistics companies.

Suggest policy measures to facilitate knowledge-sharing platforms and collaborative projects aimed at advancing AI applications in logistics.

c. Investment Incentives:

Provide insights into the potential economic benefits of widespread AI adoption in the logistics sector.

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Recommend investment incentives, such as tax breaks and subsidies, to encourage logistics companies to invest in AI technologies.

Emphasize the role of government support in fostering an environment conducive to innovation and technological advancement.

3. Academics

a. Research Opportunities:

Identify research gaps in the current understanding of AI's impact on logistics in Taiwan.

Propose avenues for academic research to explore the social, economic, and environmental implications of AI adoption in logistics.

Encourage collaboration between academia and industry for joint research projects that address real-world challenges in the logistics sector.

b. Curriculum Development:

Advocate for the inclusion of AI-related topics in logistics and supply chain management curricula.

Provide recommendations for academic institutions to adapt their programs to equip students with the skills needed for AI-driven logistics.

Explore interdisciplinary approaches to education, incorporating AI, data science, and logistics management in academic programs.

c. Knowledge Dissemination:

Disseminate research findings and insights through academic publications, conferences, and workshops.

Encourage academics to engage with industry practitioners and policymakers to bridge the gap between theoretical knowledge and practical applications.

Emphasize the role of academia in contributing to the continuous evolution of best practices in AI-driven logistics.

By tailoring insights for industry practitioners, policymakers, and academics, this research aims to serve as a valuable resource that informs decision-making, drives innovation, and contributes to the collective understanding of AI's transformative potential in reshaping the logistics landscape in Taiwan.

Conclusion

In the ever-evolving landscape of global supply chain management, Taiwan stands at the intersection of tradition and innovation, facing the imperative to adapt and redefine its logistics systems. This research delved into the implementation and impact of Artificial Intelligence (AI) in intelligent logistics, seeking to unravel the transformative potential of AI in enhancing supply chain efficiency within the Taiwanese context.

Our exploration of the current state of logistics in Taiwan uncovered a resilient infrastructure, yet one grappling with challenges intrinsic to traditional systems. From connectivity issues and inventory management challenges to regulatory complexities, the traditional logistics landscape presented

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opportunities for improvement. Against this backdrop, the study investigated the integration of AI technologies, such as machine learning, robotics, and predictive analytics, to address these challenges and drive efficiency.

The analysis of AI implementation strategies within the Taiwanese logistics sector unveiled a burgeoning interest in harnessing the capabilities of machine learning, automation, and predictive analytics. Case studies illustrated success stories where AI applications significantly improved supply chain visibility, reduced operational costs, and enhanced decision-making processes. The study highlighted the pivotal role of industry collaboration, workforce training, and regulatory considerations in ensuring the successful implementation of AI technologies.

The impact assessment revealed a tangible and positive transformation in supply chain efficiency. AI-driven solutions demonstrated the potential to streamline operations, reduce lead times, and optimize inventory management. Predictive analytics emerged as a powerful tool for anticipating market trends and demand fluctuations, contributing to more agile and responsive logistics processes. The integration of robotics and automation showcased significant improvements in warehouse operations, further emphasizing the role of AI in redefining traditional logistics practices.

For industry practitioners, a strategic AI integration plan, a culture of innovation, and collaboration were recommended. Workforce training and development emerged as critical for navigating the evolving technological landscape. Policymakers were encouraged to establish supportive regulatory frameworks, incentivize AI adoption, and foster public-private collaborations. Academics were called upon to explore research opportunities, adapt curricula, and disseminate knowledge to bridge the gap between theory and practice.

As Taiwan advances towards an intelligent logistics future, collaboration emerges as the linchpin for success. The symbiotic relationship between industry practitioners, policymakers, and academics is crucial for navigating the challenges and unlocking the full potential of AI in the logistics sector. Initiatives that promote responsible AI adoption, support ongoing research, and facilitate knowledge exchange are essential for ensuring a sustainable and resilient logistics ecosystem.

In conclusion, the implementation and impact of AI in intelligent logistics have not merely revolutionized processes but have laid the foundation for a paradigm shift in how Taiwan approaches supply chain management. The transformative potential of AI is not just a technological advancement but a catalyst for innovation, efficiency, and competitiveness on the global stage. As Taiwan continues to integrate AI into its logistics DNA, the journey towards an intelligent and efficient supply chain is not just a necessity but a testament to the nation's commitment to leading in the era of smart logistics.

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